

DOUBLE ISSUE

PETER C. NEWMAN: THE NEXT MILLENNIUM
1996 IN REVIEW • CHRETIEN ON THE RECORD • THE MULRONEY TRIAL

CANADA'S

WEEKLY NEWSMAGAZINE

Maclean's

DECEMBER 30, 1996 / JANUARY 6, 1997

The Year-End Poll with  **THE NATIONAL**

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- **A STRONGER ROLE FOR BIG BUSINESS**

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From The Editor

And promises to keep



Now is the time for Jean Charest to step up to the plate. The Conservative leader, who has barely made the radio screens for the past several months, has started to climb in the polls. Prime Minister Jean Charest has experienced an unexpected, year-end setback. Meanwhile, Reform and the Bloc Québécois are struggling. Yet no one really knows what the 35-year-old Charest stands for—or what his party will go to the wall for. Will it be a tax cut? Distinct society for Quebec? More layoffs and spending reductions? What about abortion? Capital punishment? Election spending limits?

These are some of the issues that Charest is weighing this holiday season as he promotes a Tory blue book of election promises for release early in 1997. Interestingly, something of a tussle has been going on behind the scenes. Charest, a pragmatist who favors compromise, prefers to fudge some of the hot-button issues, the better to keep out of the line of attack by his opponents.

His advisors, however, have insisted that he must state clear, hard positions—and give every indication that he will stand behind them. Such is the mood of the yearly final days of 1996, that no politician dare look like a waffler or a past promisee. It is as lessons that Charest, 63 on Jan. 11, learned the hard way as the year wound down, at first trying to rewrite the history of his promise to aban-

ish the Goods and Services Tax, then apologizing that people got so confused as to think he was going to "abolish" the levy.

His angry rescues brought out a side of Charest that is rarely seen—a frustrated and pensive leader who believed others for his problems. It is an embarrassing side, the one that came to the fore when Charest scuffled with protester Bill Clinton in February. On the controversy over his promise to "abolish" the GST, for example, Charest suggested in a pre-emptive interview with *Maclean's* that, somehow, language was at the root of the controversy. "So, that some newspapers decide that the interpretation of the word taken out of context, they don't like it, fine, so be it. For me, I know what I said and I know what are the intentions of the government and I know exactly what the government is trying to do."

The evidence suggests that the people do not understand, or do not appreciate, what the government is trying to do. In *Maclean's* annual year-end poll, an astounding 76 per cent of readers challenge the government in the major challenges facing the nation. The Liberals did lead the pack, with a merely 10 per cent. But the numbers are a warning for all party leaders: give us the goods or perish.

Photo of the Year



Charest and protester Clinton: early days of 1997

PHOTOGRAPH BY

Robert Lewis

Newsroom Notes:

The foible issue

Planning for this week's special double issue, on sale until Jan. 5, began in late summer. Senior Contributing Editor Peter G. Newman started research for his 4,000-word article on the most millenium page 681. In our fall, senior editors from *Maclean's* and CBC-TV's *The National* met for the first of several sessions with pollsters Allan Gregg



Associate Art Director John Foley (left), Associate Photo Editor Kristine Rydal, Chr. Marshall

and Michael Sullivan of The Strategic Council led to discuss the main themes of the annual year-end poll. After consid-

eration of several drafts and approval of the final questionnaire, the survey went into the field in late November. Then, Assistant Managing Editor Robert Marshall assigned the articles that make up the 25-page package (page 681, most of which were fact-checked by Researcher-Reporter Showen Chu. Meanwhile, General Editor Carl Molloy drew up his shopping list of photos for the year in review (page 64). In addition, the issue also features an interview with Prime Minister Jean Charest (page 722) and a preview of the Smart Money list (page 740), plus the regular news sections and columns.



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Nagrawa, proved to be a skilled negotiator

Nothing but blue sky

It is appropriate that your cover story of Canada's Auto Workers union president Buzz Hargrove had blue sky as the background ("Blue-bird Buzz," *Canoe*, Dec. 18). Before he started negotiations with General Motors and Canadian Airlines, many critics predicted Hargrove's failure and the potential for the demise of Canada's dominant union. The principal rationale was that Hargrove's demands were preposterous, he was blue-sky negotiating. Although it is too early to determine whether his successes at the negotiating table will translate into long-term stability in the automotive and airline industries, Hargrove has proved he is a skilled negotiator.

Art Holroyd,
Ottawa, Ont.

LETTERS TO THE EDITOR

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Ducking the issue

I see in *Quacking Ducks* that Finance Minister Paul Martin's favourite movie is his favorite movie of the year. Babe, is the duck because, he said, "I really liked the way he talked his way out of things" ("Martin and the pig," Dec. 16). I guess that comes from Martin's own experience, such as talking his way out of the abolishment of the GST, a multi-year economic plan for the CBC, stable funding for the provinces, and keeping postage rates down for Canadian publications.

G. W. Trudell,
Montreal, Que.

occupy the doctors, nurses and managers of Medicine Sans Frontières (Doctors Without Borders). Are we all "cowboys"? No MSF is skilled, focused and determined to deliver assistance. The spotlight has been on MSF and other equally diligent organizations in Zaire recently. But the record still shows that it has not been self-promotion that we speak of in *Maclean's* or CNN, but the plight of these Rwandan refugees that we try to bring to the attention of the international community. Regrettably, the powers that be look the other way. But also please note that there are another 70 countries in which MSF is bringing relief and medical attention, where the cameras are not.

Timothy Pate,
Executive Director,
Doctors Without Borders Canada
Toronto

In praise of Conrad

It is interesting to read the letter that Edmund Maude Barlow and look positively at Conrad Black. I'd be in his shoes. The *Mail*, Dec. 18. What I'd like to see from the left is a summary of jobs that Barlow has created. As the old saying goes, the right does, while the left complains.

George W. Bailey,
Burlington, Ont.

Nuclear reliability

I find it ironic that there is great concern over the production of carbon dioxide and the likely resulting global climate change, yet producing electricity by nuclear fusion is unacceptable to many environmental organizations ("Clean syndrome," *World*, Dec. 16). Why should that be? Nuclear fusion does not produce carbon dioxide or sulphur dioxide, nor do they feed lead or mercury into sludge tanks to feed the fish. Yes,



View from Lake Pichai, Agra, India

Campsite overlooking the Himalayas

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THE MAIL

spent fuel is highly toxic, but it is very compact and safely stored. It is the environmental accountability, from mining to power production to final disposal, that convinced me of the essential role of nuclear-generated electricity. So why should environmental groups protest Atomic Energy of Canada's sale of two CANDU reactors to China? These reactors will safely supply electricity to the Chinese as they struggle to rise to a decent standard of living.

Myron Brown
Pittsford, N.Y.

'Caregiving Liberals'

Anthony Wilson-Smith's column "Those Leaving Care" (Blacklisting Others, Dec. 9) talks about a reserved, kinder and more caregiving Liberal party. The cuts that were made affected the entire population. The kindness, other than to help to alleviate child poverty, seems to be directed to Bombardier, Canadian Airlines and the manufacturers of helicopters, including:

Nasr Thwait,
Burlington, Ont.

University food

I congratulate Maclean's on again recognizing the importance of Canadian universities as vital to the country. Concerning campus dining ("Who feeds the student body," Cover, Nov. 28), not only Verna Services Ltd. and Marnett International Ltd., but also Beaver Foods Ltd. and some small specialist contractors and facilities are involved in offering services to U of T. The concern regarding the growing corporate presence on campus at the level of food services causes me to recognize that they would not succeed if there were not for the sustained demand.

Peter Smith,
Manager, food and beverage services,
University of Toronto at Scarborough
Toronto

Maclean's

Canada's MOST INFORMATIVE

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The Road Ahead

Whose society, whose best interests?

Canada's social problems are not insoluble, but there are powerful groups interested in keeping things the way they are. Some problems could be solved by having a more progressive tax system, and by having corporations pay their superprofits called "deferred" taxes. But instead, our attention is diverted by talk about too much government and too many welfare recipients.

The problem is that the rhetoric and propaganda do work. The corporate world sets the agenda, the media disseminate it, the government executes it, and the public believes it. We are under the impression that economic and social policies are set by historical circumstances beyond people's control, when in fact there are very real people setting policies and benefiting from them.

According to Gerardo Macedo, author of *Liberalism of Power*, schools and the media play a big role in perpetuating political ignorance. They promote cultural values that "distill and subtly enslave so as to benefit the interests of the power elite." Our culture fails to see the perils of political ignorance. We acquiesce to dominant discourses about deficit reduction and cutbacks public expenditures. We accept the implicit authority of the media and corporate spokesmen unquestioningly. The immediate price of our credulity is increased human suffering for those who rely on public support.

Lack of opposition to unfair policies allows the gap between rich and poor to widen. Policies that foster unemployment result in more children living in poverty. Since the federal government announced

in 1989 its plan to eradicate child poverty by the year 2000, child poverty has in fact increased 46 per cent. These numbers should shock us, but they don't. We are not only politically illiterate but also emotionally numb. Stories of child poverty rarely receive as much sustained attention as monarchy gossip.

There is no mystery about the manipulation of the public agenda by the rich. They have their own interests to protect and they use whatever means they have at their disposal to promote them. The Business Council on National Issues, the most powerful lobby group in Canada, does an enviable job of influencing governments to promote the agenda of big business. Few people in Canada know that this group represents the most powerful industries and that it operates as a shadow cabinet.

No need to invoke conspiracy theories; lobbying is an integral part of the political system in Canada and the rest of the world. In fact, it is the public agenda that is dominated by talk of wasteful social programs and inadequate poor people. Welfare recipients are reportedly subjected to humiliating descriptions in letters to the editor. These feelings are fuelled by politicians who depict the poor as uneducated and undermining of the economy. In fact, no personal but systemic changes such as a modest increase in corporate taxes would alleviate child poverty in Canada.

Next time we read about social issues or hear politicians or lobbyists talk about what is good for society, we would do well to ask whose interests they represent and whose society they are talking about.

The Road Ahead invites readers to submit specific questions or thoughts on social and economic concerns. Published submissions may be rewritten as space allows or appear on an electronic bulletin board.

Isaac Prioleto,
Nashville, Ont.

Andrew: David Macdonald, Scott Jones

Washington: Andrew: Phil G.

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MACLEAN'S/CBC NEWS POLL

Future Imperfect

Canadians are ready
for fundamental
changes in society

BY ANTHONY WILSON-SMITH

It is a remarkable image from a pivotal time in Canadian politics. The black-and-white photograph, taken in 1967 at a swearing-in ceremony of new federal cabinet ministers, shows four men smiling contentedly at the camera: Lester Pearson, Pierre Trudeau, John Turner and a particularly young-looking Jean Chrétien. At the time, Pearson was prime minister, while each of the three would later have their turn in that role—and each, in their own way, would epitomize distinct eras in Canada's history. Pearson had already put Canada on the top rung of international diplomacy, with his 1957



Trudeau (left), Turner, Pearson and
Chrétien in 1987. Supply 10%

Nobel Prize for peacekeeping? Tradition, in 15 years as prime minister, would preside over a huge expansion in the role and size of government, while Turner, who listed only three main priorities, took on the job at a time when anti-government sentiments and concerns about over-spending were just starting to sweep the Western world. And finally there is Chrétien, the first Liberal of the modern era in lead at a time when the size of government is actually shrinking. That, among other things, helps to explain his cautious mood as he

proceeds into the future with Modeste pragmatic expectations (page 23). In a continuing but deepening trend, over-riding expectations against the society of tomorrow to be a poorer, more violent place, where full-time work will be harder to come by and people, by necessity, will be more self-sufficient. As for promises by Chrétien and other political leaders that universal health care and social programs such as unemployment insurance and old-age pensions will be maintained, poll respondents are either ignoring these assurances, or simply do not believe them.

Moreover, most respondents now expect to have to keep working after the age of 65 to support themselves, and anticipate that those with the money will be able to buy a higher education at private universities. And while they do not see the end of violence in a society where work is scarce, and government programs and the social support system have been eroded, most respondents are not expecting a major policy shift. They do show a growing acceptance of a two-tier health-care system and private universities. "There is a recognition that there are tough times requiring tough action," says Gregg. "But, as in the past, trends are great examples when political leaders try to get by with happy talk in lieu of those tough solutions."

Perhaps the most telling measure of the present mood is the paradoxically huge gap that exists between the popularity of the ruling Liberals and the low expectations people have of government being able to solve their problems. For more than three years since their election in September, 1993, the Liberals have lowered around 50 per cent support in almost every major poll. The Prime Minister's own approval ratings have also tumbled his party's, making him the most popular national leader since polling began more than half a century ago. And, as expected, disillusionment with politics and the people who practice it, the Prime Minister would appear to be a notable exception. But this year's Mulroney poll, conducted in conjunction with CBC-TV's *The National*, years behind those numbers and un-

dermined by Mulroney's in mid-December to announce his view of Canada—and how Canadians see his government's place in it (page 72). "They know," said Chrétien, "that there is no body who will have a magic wand, and solve all the problems [but by] being there."

That is an understatement, to go by the responses to the 13th annual Mulroney's year-end sampling of the nation's mood. Despite the ruling Liberals' continued high standing in the polls, Canadians have become "borderline nihilists" when it comes to their view of government's ability to positively affect society, says pollster Allan Gregg. "People increasingly have decided that governments are simply not an important factor in their everyday lives," says Gregg, chairman of Toronto-based The Strategic Council Inc.

Those low expectations are not confined to government. With the new millennium approaching, not to mention a federal election expected in the coming year, Canadians are

WHERE THE FIRM SUPPORT LIES

Respondents who think particular parties offer solutions:

New Minister Jean Chrétien's Liberals: 10%
British Columbia 3
Alberta 10
Saskatchewan 7
Ontario 13
Quebec 16
New Brunswick 10
Prince Edward Island 12
Nova Scotia 10
Newfoundland 10



Proton Manning's Reform party: 4%
British Columbia 5
Alberta 11
Saskatchewan 6
Ontario 3
Quebec 2
New Brunswick 2
Prince Edward Island 3
Nova Scotia 1
Newfoundland 1



Alma McGough's New Democratic Party: 2%
British Columbia 4
Alberta 3
Saskatchewan 1
Ontario 5
Quebec 2
New Brunswick 4
Prince Edward Island 4
Nova Scotia 3
Newfoundland 2



Michael Gault's Bloc Québécois: 1%
Alberta 1
Saskatchewan 1
Ontario 3
Quebec 4
New Brunswick 2
Prince Edward Island 3
Nova Scotia 4
Newfoundland 2



Donna Scott's Conservative Party: 3%
British Columbia 4
Alberta 3
Saskatchewan 1
Ontario 5
Quebec 2
New Brunswick 4
Prince Edward Island 4
Nova Scotia 3
Newfoundland 2



JOBS, JOBS, JOBS

Q: What is the most important issue facing Canada?

	CANADA	B.C.	Pr.	Ont.	Que.	At.
Unemployment	31%	18%	18%	31%	46%	31%
Deficit/government spending	15	22	14	11	10	7
National unity	9	11	11	2	17	6
Environment	6	7	6	4	8	7
Health care	5	2	14	7	7	11
Other social services	4	7	5	6	2	2
Trade	3	6	2	9	7	6
Green/conservation	2	3	2	3	1	<1
Education	2	3	7	2	17	3
Environment	1	1	1	2	<1	2
Government	1	1	7	1	<1	1
Security	1	1	1	1	<1	1
Native issues	1	1	1	1	1	1
Aboriginal issues	1	1	2	1	<1	1
Immigration/multiculturalism	1	1	1	1	1	1
Women's issues	<1	1	<1	1	1	1
Other	11	17	5	9	10	9
Don't know	5	5	4	8	2	7



Working weekends for change: looking for solutions

covers an overwhelming lack of confidence in all of the federal parties. Asked which of these parties have concrete solutions to the nation's major problems, a remarkable 76 per cent of respondents say "None." Just 10 per cent rate the Liberals, and no other party gets the approval of more than four per cent.

On the day he met with Mulroney, Chrétien seemed no remainder of the public's disappointment with politicians. These feelings increased

when, unemployment by the national issues that most concern poll respondents, cited first by 31 per cent.

Layoffs dominate the news. University graduates swell the ranks of the unemployed. Young professionals graduate on the sidewalks while others, working without working agencies, collect change from sympathetic drivers. Ultimately, the job issue. Thus the potential to cause the Liberals far more long-term damage than the first

over the GST," says Gregg. "One is seen as a verbal master, while the other is viewed as an inability to make policy on an issue that is fundamental to people's everyday lives."

Compounding the poll respondents' anxiety is their fear that the consequences of not having a job will become graver than ever. Substantial majorities agree that by 2005 most people will be unable to afford to retire at 65 (79 per cent), many people will never find full-time work (80 per cent), and there will be no government assistance for those who lose their jobs (56 per cent). As a nation the cost,

Q: Which federal party has concrete solutions to the nation's major problems?
Liberals: 76% Conservatives: 3% NDP: 2% Bloc Québécois: 1% Don't know: 8%

31% of men, but 24% of women, expressed increased optimism about the future

36% think government deficits will be lower entering the next century, 37% still think they will be higher

61% say Canada doesn't retain heavily endorsed as possible pay opportunities

64% of respondents, compared with 72% across Canada, expect the United Nations to continue to rank Canada as one of the best places to live

71% (including 59% in Quebec) say the threat of Quebec separation has affected Canada's economy outside that province

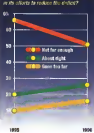
penditure runs highest among those that need to be directly affected. For example, the belief that welfare and unemployment insurance will no longer cost more than the amount they spend is at 34.02 per cent and those now earning less than \$50,000 annually (79 per cent).

No other issue approaches unemployment in the ranking of the top national concerns. In second place was the deficit and high level of government spending, cited by 15 per cent (page 21). And little more than a year after the referendum vote of 50.4 per cent to 49.6 per cent in the Quebec referendum that nearly plunged the nation into constitutional crisis, only 10 per cent cited national unity as the dominant concern. (Given in Quebec, that number was just 11 per cent, with 42 per cent there citing unemployment.)

While Canadians have barely closed the book on the national unity issue—in fact, 42 per cent consider it likely that Quebec will become a separate country by the year 2025—many seem to have grown accustomed to that prospect. And here they feel about as range of possible scenarios for the early years of the new millen-

CUTBACKS: RESISTANCE BUILDS ...

Q How do you feel about the cuts in the federal budget?



Liberals feel vulnerable to attack from the left

ians, July 27 per cent of Canadians (up from 26 per cent in New Scotia to 50 per cent in Quebec) say they could accept seeing Quebec become a separate country. That surprisingly large acceptance of the country fracturing could bode poorly for any attempt at constitutional reconciliation. "People are tired of the issue, unwilling to discuss it further," says Grange. "They are basically saying it may be time for both sides to move on to other things."

While the Liberal government is unlikely to face strong resistance from many of the voters who have chosen for the opposition, the majority belief that no party offers concrete solutions to the nation's problems "reflects the great lack of interest on their towards politics as practised in Ottawa today," says Grange. "There is no patience with partisanship, and many people think the real opposition to government comes from either the left or the right, not from the opposition. The majority belief that no party offers concrete solutions to the nation's problems "reflects the great lack of interest on their towards politics as practised in Ottawa today," says Grange. "There is no patience with partisanship, and many people think the real opposition to government comes from either the left or the right, not from the opposition."

In 1993, the Reform party rose from near obscurity to 32 seats in the House of Commons, based in large part on a fiscally conservative, anti-political establishment program. Three years later, Reformers have watched as a mixture of inflation and deflation has led the Liberal government to dip into their program and back its own initiatives on deficit reduction, crime prevention, immigration and a reduced role for government.

At the same time, some Reform MPs freely acknowledge that they have been unable to get rid of aspects of everyday parliamentary life that they resist change. They arrived in Ottawa determined to change the way many things

worked, working on other things, to emphasize good behavior in the House of Commons and reform from the back and front partnership that traditionally characterizes sessions. But after facing accusations from their political opponents and the media of being undisciplined and belatedly, the Reform caucus gradually changed its approach. Now, many Reform MPs concede, they behave just like members of other parties. And the poll respondents give them no more credit. Just four per cent—mostly in British Columbia and Alberta—believe that Reform offers solutions to their problems.

Still, Reform can take some solace from the evidence that Canadians see no more solutions coming from the other parties. Three years into his efforts to rebuild an electoral base for the devastated Conservatives, party leader Jean Chrétien has convinced just three per cent of poll respondents that he can provide the solutions. The New Democrats, under the leadership of Nova Scotian Alexa McDonough since 1995, enjoy the

confidence of just two per cent. And the Bloc Québécois, the Official Opposition whose leader, Michel Gauthier, has decided to step down in March because he has not been effective, is seen by just one per cent nationally—and only three per cent in Quebec—as a party with solutions.

All of which reflects a revolutionary change in Canadian voting intentions in recent years, notes Grange. Not only have typical voters become much less likely to be faithful to one party, but their impatience also includes the opposition, along with the government. The cynicism of voters "is pretty widespread," says Grange. "It's not enough for an opposition political to just go name-calling at the government; you have to offer very concrete, attractive alternatives, and you have to make clear you are committed to them. At this point, none of the opposition parties have succeeded in doing that."

But none of that means Canadians are content to live on the air, putting their government's best to the first 60 per cent of respondents say it would worry them if the Liberals returned with a landslide and no effective opposition in the next election. It is an attitude with potential for creating a backlash against the government party if it appears to be crawling too easily through the next campaign.

But despite Chrétien's credibility conundrum, the Liberals seem to be doing more than their opponents to align themselves with voter interests. The next election, says an adviser to Chrétien, will "likely be fought on our over-

riding theme: we are the one major party that believes in the ability of government to do good things." That is an optimistic way of reflecting the concern of Liberal strategists that they now feel more vulnerable to attack from the left. With that in mind, the Liberals have been backing away from the small-conservative, budget-cutting agenda that characterized their first three years in office, opting instead to stress more activist themes.

By swinging the party back towards the left, Liberals plan to try to appeal to their more traditional constituency, and emphasize the distinction between themselves and the Reform—which promotes tax cuts and even smaller government—and its lesser claim to the liberal-conservative mantle.

Conservatives, who are not so much a new government as a new government, have also changed their focus, rather than new government promises. In his interview with Maclean's, Chrétien reportedly stressed job creation as "the main problem" and acknowledged that, at that time, his government was "struggling." In a mid-December speech in Ottawa, Finance Minister Paul Martin said that governments should not allow themselves to be "baited" by financial markets. Instead, he said, Canadians need a government that will help them adjust to a changing world by investing in such areas as research and development, export promotion, education and training. Both Chrétien and Martin have also signaled plans to announce an assault on child poverty. In fact, says Martin, that was the only government problem he refused. A large cause of unemployment, he said, "is that for the past 20 years, we've ignored the plight of poor kids, and now we've got a generation of adults who were brought up under those circumstances."

Given the Canadian public's deep underlying cynicism towards politicians, there is an obvious risk that the Liberal's apparent rediscovery of their more left-leaning roots will arouse suspicion among voters. But Grange, a former senior Tory strategist, sees "terrible growth potential" for the Liberals if they can present their case in a compelling way. The reason, he says, "is that Canadians want some discussion and proposals relating to the future of the country that they want to support the party that comes that to them."

Meanwhile, almost three-quarters of the poll respondents—72 per cent—say they expect the United Nations to continue giving Canada high ratings as a place to live in the next decade. Despite their profound reservations about their political leadership and their changing society, Canadians still expect someone, somewhere, to do the right thing. □

Life after the budget cuts

Canada's collective debt problem really that serious and, if so, are the country's political leaders doing enough to drive it off? The poll responses contain a clear, if unimpassioned, message to leaders at both the federal and provincial levels. As much as Canadians like the idea of reduced government spending, they shrink from the reality of what those cuts mean. On one hand, respondents to the Maclean's/CIBC New year-end poll think the federal government should do more to address its budget shortfall. On the other, many think that provincial governments—most of whom now expect to have balanced budgets by the turn of the century—have gone too far.

A year ago, 72 per cent of respondents in the 12th annual poll cited the continued issue of government spending and the deficit as the country's biggest problem. That ranked it as the second most important issue after unemployment, which topped the list at 51 per cent. The good news for the federal Liberals is that the number who think the government has gone "about the right distance" in budget-cutting has climbed from last year, to 26 per cent from 20 per cent. But even after three consecutive years of federal spending cuts, 51 per cent of respondents still say the government has not done enough to reduce the deficit.

On a provincial level, respondents feel clearly not happy with governments that are still deeply involved in deficit-reduction efforts. Residents of New Brunswick, New Scotia and Ontario gave their government's cost-cutting program disapproval rates of 55 per cent, 49 per cent and 42 per cent, respectively. The simple message, says pollster Allan Grange, is that "the more you see of the actual effect of cuts, the less people like them."

The federal Liberals have already made it clear that, in what is likely to be an election year, they are expecting Finance Minister Paul Martin to announce some sweeping new programs than simply cutting existing ones. Still, deficit-reduction plans remain on track. The Liberals, after incurring an annual deficit of \$42 billion from the Conservatives when they came to power in late 1993, expect that to shrink to \$17 billion by next year. Their hold on the public's confidence in deficit matters may be precarious, however. Those projections are based in part on current cuts announced at previous budgets but only coming into effect in the new year and beyond. Only then will the public see what effect they have in such areas as unemployment insurance, transfer payments to provinces, defence and subnational aid.

The Liberals can only watch in envy as, in Alberta, Premier Ralph Klein enjoys the fruits of a mission accomplished. A year ago, 48 per cent of Albertans thought their government had gone too far in tackling its deficit—more than in any other province. This year, with a budget surplus forecast and the pump strongly loosened, Alberta is the only province to see its disapproval number drop, to 41 per cent. A coincidence that Klein's voter-satisfaction numbers are higher than any other Prime Minister's? Hardly.

A.W.S.

51% say Ottawa has not gone far enough to reduce the deficit; only **16%** say it has gone too far.

60% say it will be a problem if the Liberals are re-elected without an effective opposition to challenge its policies.

36% say their financial situation worsened in the past 10 years, unchanged from last year. **30%** say their financial situation got better, down from **34%** last year.

Most likely to say their financial situation worsened: those earning less than \$50,000 a year (**56%**) and those aged 45 to 54 (**52%**).

Reduced expectations

Canadians point the way to a leaner society

BY JOE CHIDLEY

The classified section of the on-line newspaper reaches hundreds of employment opportunities, but not one is for a full-time job. The people with work are juggling as larger issues and getting less money than they did last time. Most cannot afford to retire at 65. With the private sector taking on a larger role in shaping society, the public sector has become increasingly irrelevant, effectively rendered by its diminished spending power. Health care and universities operate on two tiers—publicly supported institutions for those with limited funds, and a private system for those with money. Cash-strapped governments have passed off the burden of many social services to charities, government pensions are a thing of the past, and there is little assistance for people who lose their jobs. The risk of violence and crime has increased. And the whole is only hanging together by a thread. It is a lean, mean world, where people must fend for themselves against the ravages of society and the marketplace.

Welcome to Canada in the year 2035. That, at least, is the vision that emerges from the Maclean's/CBC News year-end poll, which explores Canadians' expectations for their society in the early years of the approaching millennium. Their responses about the economy, jobs and social services are generally pessimistic—echoing the bleak national mood that last year's annual poll uncovered for the first time in its great detail. To better illuminate that trend, this year's questionnaire asked

respondents not only to consider the likelihood of 16 specific scenarios for the future, but also to pronounce on their acceptability. Their responses point to some hot-button political issues—mainly related to work—where Canadians are clearly unhappy about what they see swirling them in the future. Conversely, the nation appears remarkably sanguine about some supposedly volatile issues—with almost as many respondents finding the notion of a separate Quebec acceptable (57 per cent) as those considering that outcome likely within a decade (48 per cent). Overall, their responses to a range of questions about the future of medicine, education, work and national unity present a clear message to politicians: people are looking for solutions.

Pollster Allan Gregg, who has worked with Maclean's on the annual year-end sampling of the nation's mood since its inception in 1984, concludes that Canadians have now gone beyond worry and into a kind of acquiescence, brought about by years of economic anxiety. The sources of the anxiety are well known: years of recession followed by a jobless recovery, deep government cutbacks, an economy subject to the whims of foreign currency traders, chronic loan losses in the office, increasing child poverty—the list goes on. But the acquiescence is clearly more complex. As they look to the future, Canadians seem to have concluded that the depressing economic conditions are here to stay. And not only do they have little faith that the traditional welfare state can make things better, but a remarkably large constituency also does not believe it should. Indeed, Canadians—in what Gregg calls "unusually high"

numbers—now seem willing to accept fundamental changes in the social safety net.

That new reality is most apparent in attitudes toward three pillars of Canada's social system: universal medicine, public education and government-funded welfare. Despite the long-standing political notion of universality as a sacred trust in Canada, eight out of 10 respondents now expect a two-tiered health system to be in place within 10 years. Even respondents who are generally optimistic about the future on other issues share similar reactions to that idea. Eight out of 10 also expect private universities—independent of government funding—to be operating by 2005 for those who are prepared to pay. And 79 per cent expect governments to increasingly ask charitable organizations to provide social services.

Those more remarkable, the poll finds a high acceptance level for those scenarios. A solid majority—61 per cent—say that the evolution of private universities is at least somewhat acceptable. Similarly, 53 per cent are at least receptive to having government hand over social services to charities. And almost half of respondents—47 per cent—find the expected emergence of a two-tier health-care system acceptable.

Those findings do not surprise former federal NDP leader Ed Broadbent, now a visiting fellow at Yorkland Oxford University, where he is conducting research on the future of the welfare state. "Psychologically, Canadians are still in a precarious state," Broadbent says. "From a job point of view, everyone but the rich is in-



Sowies in a Calgary pub without a government pension

ing more insecure. When people are in those circumstances—especially—they tend to become more self-protective, less generous." But Broadbent cautions that the poll findings should be considered in a broader international context, one in which he detects increasing dissatisfaction with the "Thatcher-Bagatelle catch-all philosophy." As an example, he points to recent polling data in England that show a majority of Britons wanting to preserve their nationalized health system, even if that means higher taxes. Says Broadbent, "If you asked Canadians whether they would be willing to pay more taxes to preserve universal medicine—something that 47 per cent said they approved of a two-tiered system—the same people could end up saying yes."

But if they are showing signs of shuddering their attachment to government programs, Canadians are also turning their expectations towards the private sector. Fully 80 per cent of respondents say they expect private enterprise to play a much bigger role in society. More to the point, however, as many—63 per cent—say they find that acceptable. They clearly do not have faith that business leaders will solve a deep-seated anxiety about the future—one focused mainly on jobs.

Every poll question concerning the future of employment shows a wide variance between what people expect and what they want. Eight out of 10 respondents consider it likely that many people will never find full-time work over the course of their lives, a prospect that just falls out of 23 find acceptable. Similarly, eight out of 10 respondents expect most people to be unable to retire at age 65, and, again, less than a third find that acceptable. As for the nature of work in the next century, almost eight in 10 anticipate that people in 2035 will be working longer for fewer rewards, a view most strongly held in Quebec (84 per cent) and by 16-to-34-year-olds (83 per cent). Only 25 per cent, however, find that acceptable.

In the workplace of the future—driving tough jobs or no jobs, and no safety net—few Canadians expect government to be there to help those who fall through the cracks. On the pocketbook issue of government pensions, 80 per cent deem it likely they will disappear within 10 years. Again, the notion meets with a low degree of acceptance—38 per cent. A smaller majority—64 per cent—expect governments to provide little or no assistance to people who lose their jobs. But that is the least acceptable notion of all—approved of by a mere 23 per cent (including, oddly, almost a

MILLENNIAL ANGST

By 2035, will there be...?

HOT ISSUES

People who expect that it is likely	Percentages saying that is likely	Percentages saying that is acceptable
Full-time work	80%	38%
No government pensions	80%	32%
Many people unable to retire at 65	79%	39%
Charities taking over social services	79%	53%
Longer work, fewer rewards	78%	33%
Little government involvement	64%	23%

LOW-RESISTANCE ISSUES

Longer life for private sector	81%	38%
Many jobs part-time or contract	83%	76%
Two-tier health care	81%	41%
Private universities	80%	61%

RELATIVE NON-ISSUES

A separate Quebec	48%	56%
Parts of Canada joining the United States	29%	29%

36% now expect government deficits to be lower by the turn of the century, up from the 31% who expressed that opinion in last year's poll.

70% say it is unlikely that any part of Canada will join the United States within the next decade.

74% say they would accept a revival of option values and a rejection of environmentalism, even though only 47% think that is likely by 2035.

61% consider the end of government pensions unacceptable, even though 80% expect that to happen by 2035.



Supernatural Vancouver General Hospital: Two-brand health care?

compared with 36 per cent of girls. Among age-groups, 18-to-24-year-olds—the youngest and therefore the one most vulnerable to future trends—forecast the most profound changes in society. For one thing, they have the greatest faith in technology: 76 per cent of them think it will make life easier for Canadians, nine percentage points above the national average. As well, 36 per cent of these young Canadians, compared with 33 per cent overall, consider it likely that, early in the next millennium, many people will live well past 100 years. On the issue of immigration, they most readily embrace the notion that the number of nonwhite Canadians would equal whites in major urban centres: 75 per cent of all respondents, 80 per cent of 18-to-24-year-olds and only 67 per cent of seniors approve of that possibility.

Still, what set young Canadians apart most clearly are their attitudes towards government and social programs. Well over half of 18-to-24-year-olds—57 per cent—endorse two-brand health care, and fully 68 per cent would support greater state intervention in higher education, rates that are higher across the board in any other age-group. Similarly, they are most accepting of the disappearance of government assistance for the unemployed (68 per cent), are likely to welcome transferring social services to charities (56 per cent, endorsed only by 30-to-64-year-olds), and show the highest acceptability of the disappearance of government pensions (42 per cent).

Many of their responses, in fact, reveal a stark difference in attitudes from those of the next youngest age-group. The 25-to-34-year-olds, readily accepting the disappearance of social services, were born and raised in the 1950s and 1960s, when the Canadian social safety net was arguably at its strongest. And they are clearly more informed and more willing to defend—in many elements. Only 44 per cent of Gen-Yers, for instance, accept two-brand health care—the lowest of any age-group, and 13 points below the younger generation. Similarly, only 56 per cent of 25-to-34-year-olds accept the idea of private universities—again, the lowest, along with seniors, and again 10 points below 18-to-24-year-olds. Gen-Yers also diverge from their younger counterparts over working harder for fewer rewards: only 38 per cent accept the notion, the least of any group and seven points below 35-to-64-year-olds.

So what is it with the younger generation? Aside from their high belief in pensions, health care and other social issues, they are also the most likely age-group to say that corporate leaders deserve their huge salaries. One explanation for their attitudes, according to Gregg, is that 18-to-24-year-olds grew up in the late 1970s and

1980s—the time of Thatcher, Reagan and Mitterrand, when pro-business rhetoric about getting government off the backs of the people had wide currency. For them, the arguments for an all-encompassing social welfare system are less compelling than they are for older generations. The same seems to apply to the issue of national unity in the poll. 18-to-24-year-olds are more likely than older groups to expect Quebec to separate and, at 43 per cent, are also more accepting of separation. "They are the most happy with what have historically been unacceptable possibilities, and they are the most pro-free enterprise of any age-group," notes Gregg. "The Gen-Yers see things differently and they are angry about it. But these kids are saying, 'What else is there?'"

Meanwhile, just over a year after the close-call



In search of full-time work

Fast-food, discouragement, resentment, resignation and anger. Even in Saskatchewan, Colwell is taking time off to work and try to determine what he'd offer the best opportunity before continuing his studies. In the meantime, he works as a waitress and sings in a rock band on weekends to pay the bills. "It's hard to stay motivated," acknowledges "I feel disposable. What is constantly drilled into you is that you're expendable. And then I wonder, if I get my degree, will it be any better? Or will it just be a piece of paper that doesn't lead anywhere?" Like many of her generation, she feels resentment towards that middle-aged baby boomer who has no trouble finding work when they were her age, and that they now hold down positions that make it difficult for young people to get good, stable jobs. "A generation ago, you didn't even have to finish high school and you could get a good job," she says, with a trace of bitterness.



Walsh (left), Hansen and Colwell: growing up on the idea of a career

prospects of becoming a career. All three have a powerful sense of insecurity that comes with the realization that stable, full-time work is not something they can expect. As the Maclean's/CBC News poll shows, many Canadians share that opinion, including young people who are burdened with pessimism about the future of work.

Hansen, who is Walsh's son, finished his bachelor of arts program in film and video at the University of Regina last spring and has since formed his own company—Adams Productions Inc. But with little income and more than \$35,000 in student loans to pay off, he's still at home. And not surprisingly, his expectations have sunk in the process. "Now, the goal is not a career, but just a job to pay the bills," Hansen says. "I might sound defeatist, but it's reality."

After two years in university majoring in computer science, Colwell is taking time off to work and try to determine what he'd offer the best opportunity before continuing his studies. In the meantime, he works as a waitress and sings in a rock band on weekends to pay the bills. "It's hard to stay motivated," acknowledges "I feel disposable. What is constantly drilled into you is that you're expendable. And then I wonder, if I get my degree, will it be any better? Or will it just be a piece of paper that doesn't lead anywhere?" Like many of her generation, she feels resentment towards that middle-aged baby boomer who has no trouble finding work when they were her age, and that they now hold down positions that make it difficult for young people to get good, stable jobs. "A generation ago, you didn't even have to finish high school and you could get a good job," she says, with a trace of bitterness.

For Walsh, the past two years have been a sobering experience. Separated in 1989, she decided to get a university education in the belief it would lead to a well-paying job to support her son and his three children. "The point of the move to Canada was to create a career out of a single older woman," Walsh observes. "I didn't want to become one of those statistics." But now, on the verge of a master's degree in political science after seven years of study, she has a \$60,000 student loan debt, and many frustrations. She has had to wait two years of looking for work, and finally landed a job in November as a district representative for the Western Canadian Wheat Growers Association, a position she hopes will lead to other opportunities. It's not an end itself, she says. "Walsh wants to be a housekeeper, and was turned down from clerical and cashier jobs." Walsh Children says if we can't get a job we should move," she says. "Well, I'd like to tell Mr. Christian there are no jobs. It is a conundrum in what many Canadians fearful of what their future holds."

EMILY DOLAN in Regina

third of respondents in Newfoundland, where unemployment is running above 38 per cent.

On the surface, the poll's answers are stark: conservative on everything. But a closer look at the responses reveals a more complex picture, including some significant gender gaps. Asked if they expect the threat of violence in society to escalate, 84 per cent of women say yes, compared with 78 per cent of men. Women are more inclined than men to say that some government programs will disappear—and to bitterly disapprove of those changes. While 51 per cent of men consider the prospect of two-brand health care acceptable, the level among women is 41 per cent. Fewer women than men find the notion of private universities acceptable—52 per cent, compared with 69 per cent. And only 34 per cent of women deem the elimination of government pensions acceptable, compared with 40 per cent of men. "Although it's changing, women still tend to take care of children and old people," says Maude Barlow, chairwoman of the Council of Canadians, an Ottawa-based public interest group. "Women know who will have the responsibility when the social programs are gone. When care for sick people is left alone and women to 'Tansies,' that's actually women—and women know it."

Women also have a greater tendency to foresee trouble in the workplace. They consider it more likely than men do that people will be unable to retire at 65 (81 per cent to 76), and they find that prospect less acceptable (27 per cent to 33). They see the possibility of working longer for less as both more likely (84 per cent) and less acceptable (24 per cent) than men (74 per cent and 39 per cent, respectively). And only 34 per cent of women find the prospect of never finding full-time work as acceptable, social scientists

86% aged 45 to 64 think it is likely that, by 2035, many people will never find full-time work.

33% of respondents expect that almost everyone will live well past 100 by the year 2035.

Quebecers, at 49%, are most likely, and Ontarians, at 62%, least likely to believe Quebec will be a separate country by 2035.

81% believe the risk of being exposed to violence or harm will be greater in 2035 than it is now.



The video version of the poll was broadcast during the hour.

Haves and have-nots

Canadians look for the corporate conscience

By macdonald@can.com
 Scott. Here's one for your Dilbert cartoon. Two weeks before Christmas, the Canadian Broadcasting Corp.—that's Canada's publicly-funded national television and radio broadcaster—announced close to 1,000 jobs from its payroll. Everyone knew the cuts were coming. In preparation for the very bad day, certain representatives were prepped by their unions on how to brief/console the terminated. On D-Day morning, those reps were presented with hats of pink slip recipients who might seek counsel. Get ready for the irony. As one of the union reps scanned the list of the terminated, he came upon... his own name! No kidding.

Dilbert, the hapless, mouthless, eyesless white-collar worker with the perpetually underweight tie, would not be surprised. The creation of Scott Adams, himself a onetime worker drone, Dilbert has suffered through various iterations, reimagining, downgrading ("Knock knock," "What's there?" "Not you any more.") and just about every bad management trope to become a post-9/11 proxy for all workers caught in the corporate maelstrom of the Nineties.

From Dilbert the character, Adams created *The Dilbert Principle*, a best seller on the New York Times list, the Dilbert dialogue—the cartoon inspiring email that Adams receives from real live workers—and the Dilbert Zone Web site that registers an average of 1.5 million hits daily. "I routinely include bizarre and unwelcome elements such as sadistic talking animals, troll-like accountants and employees turning into discharges after the life force has been drained from their bodies," says Adams in his book. "And yet the comment I hear most often is, 'That's just like my company.'"

On the CBC, its pre-Christmas *Nightletter* capped a year of worker insecurity, bookending giant AT&T Corp.'s announcement 12 months earlier that it would chop 40,000 employees from its rolls. While chairman Robert Allen later scaled back that number to 10,000, the AT&T purge still stands as a defining moment in 1999 when Allen said he would

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Investment success is influenced by many factors. But the most important asset is choosing the right combination of assets in which to invest. Studies have shown that the balance of your investments among various types of stocks, bonds, treasury bills and other holdings is responsible for over 90% of investment returns. Balancing long-term returns against short-term risk also has a major positive impact on your personal peace of mind.

How STAR works to improve RRSP and other investment returns
 The positive impact of investing in an optimal combination of mutual funds
 Completing a Personal Investor Profile to know your risk and return needs

☆ Page 28
 ☆ Page 30
 ☆ Page 32

75% of respondents say corporate leaders should keep their salaries in line with other employees;
22% say they deserve large salaries.

58% (including 64% of seniors) say it is unacceptable for profitable corporations to lay off workers

(continued on page 37)

Higher RRSP returns with lower risk ... STAR's investment objective.

STAR assists your financial advisor to recommend a portfolio of seven mutual funds based on an in-depth assessment of your personal needs

resource — one that assists them in applying their experience on your behalf.

The result? An investment that meets your financial needs and objectives.

Your financial advisor first assists you in completing a Personal Investor Profile which matches your financial requirements — and your risk tolerances — with a specific STAR portfolio. Each of these contains seven mutual funds selected from the Industrial, Irv or Universal fund families

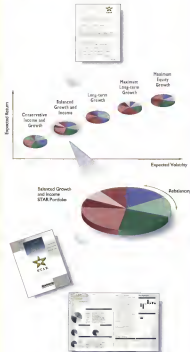
by Garmine Investment Technologies, Canada's premier asset allocation specialists. Proprietary technology developed by Garmine for the selection process is derived from Nobel Prize-winning mathematical theories.

The choices range from highly conservative to more aggressive, and include domestic as well as international equity and fixed income funds. Every STAR portfolio is "optimized" to provide a superior trade-off between long-term expected return and volatility — and is rebalanced as required to assure that it continues to meet your original objectives.

The annual fee for participation in STAR is a low 10th of one percent (just \$1 per \$1,000 of assets), with a minimum of \$25 and a maximum of \$100.

Asset Optimization:

A systematic process.



1 Assessing your profile.

Your financial advisor meets with you to discuss financial needs and expectations along with tolerance for risk. You complete the Personal Investor Profile.

2 Establishing a strategy

Based on your responses to the questionnaire and the assessment of your financial advisor, a balance is set between growth and income requirements and risk exposure.

3 Allocating assets

One of several portfolios of seven funds is selected from the Industrial, Irv and Universal families. This portfolio includes domestic and international funds aimed at generating income and growth.

4 Re-allocation, as needed

If the balance of your fund holdings shifts as a result of different growth rates for individual funds, the portfolio is automatically rebalanced, at no cost to you.

5 Continuous reporting.

You receive detailed quarterly asset allocation updates on performance, the portfolio and any changes to it. Your financial advisor continues to monitor your progress.

Over the past 30 years, the independent financial advisors who represent Mackenzie's three mutual fund groups have done an exceptional job of helping Canadians to choose — and stay with — the right mutual fund investments.

With STAR, these professionals are now equipped with a powerful, high-technology

"My choice: Mackenzie Financial's STAR — a well-conceived, high quality, low-cost asset allocation program. The industry leader at this time." — Gordon Page's 1996 Beyer's Guide to Mutual Funds

Reducing risk by putting the right funds together in the right proportions.

The performance of STAR's RRSP portfolio has been significantly less volatile than that of the underlying funds that comprise them.

It's universally accepted that diversification is a basic rule of sound investing. This principle is also a cornerstone of mutual fund investing. Each fund offers

diversification within its own portfolio. Holding a number of mutual funds diversifies your investments even further.

However, simply investing in many funds is not the answer to truly maximizing growth potential or reducing risk. These important goals are

best achieved as part of an optimized portfolio of seven funds.

Optimization is the heart of Mackenzie's STAR system. With the help of extensive databases and computer models developed over the past 20 years by Garmaine Investment Technologies, this advanced strategic asset allocation program chooses the most efficient mix of mutual funds to take greatest advantage of the benefits of diversification.

Stated simply, some combinations of mutual funds work far better than others. STAR's mandate is to identify and invest in the mixes that minimize risk and maximize returns. For example, over the short term, one top-performing fund may be declining in value while another is rising. Combining both in one portfolio produces steadier long-term results.

STAR portfolios are constructed and maintained by Garmaine Investment Technologies, Canada's leading asset allocation specialists, with 20 years of experience.

Achieving the same goal with seven funds working together (see chart) is more difficult but even more rewarding.

Based on the period January 1995 to October 1996, STAR RRSP portfolios were between 26 and 41 percent less volatile than the weighted average of the funds within each portfolio. This lower risk is a direct result of the synergistic effect of seven funds on one another – and of the scientific way in which Garmaine Investment Technologies chooses and combines funds for the portfolio.

STAR's objective is to increase consistency (or reduce risk) without reducing your potential returns. It's one well worth achieving for your RRSP.

While the future may not duplicate the past, the experience of tens of thousands of STAR investors over the past two years indicates that your future with STAR could be a brighter one.

More consistent performance:

The benefits of optimization

1: Ineffective Diversification



2: Improved Diversification



3: STAR Asset Optimization



- Not surprisingly, the portfolio performance of a hypothetical mix of two very similar funds (A and B) closely tracks each of the individual funds. Results: higher volatility and short-term risk.
- The risk-cancellation effect of two counterbalancing funds (A and C) results in significantly less volatile portfolio performance, as measured by the "net" line.
- The benefits of an optimized portfolio of four carefully chosen funds in one portfolio are shown in the chart at right. Portfolio performance is significantly more consistent. STAR takes this process even further: with seven mutual funds in each portfolio to assure the appropriate level of risk for each individual investor.

Registered Balanced Growth and Income



Fund	Investment Policy	Weighting
Unvested World	International Equity: large companies in emerging markets	7%
Emerging Growth Fund	and smaller companies in developed countries	
Global Equity	exposure to foreign stock markets, primarily those of developed nations (RRSP eligible)	18%
Unvested World Growth RRSP Fund		
International Momentum Fund	Canadian Equity: broad range of large-cap companies, an emphasis on export-oriented companies	17%
By Canadian Fund	Canadian Equity: concentrated portfolio of companies, particularly industry leaders who are strong financially	19%
Key Mortgage Fund	Canadian Mortgages: government-guaranteed residential mortgages, replacing mortgage under 5 years	22%
Unvested World Income RRSP Fund	Global Bonds: exposure to foreign bond markets, primarily those of developed nations (RRSP eligible)	22%
Unvested America Fund	International Equity: North and South American common stocks with an emphasis on the U.S. and Mexico	7%

Optimization in action

A typical STAR portfolio

STAR's five completely RRSP-eligible portfolios (there are 17 in total) range from risk averse to more aggressive. The Registered Balanced Growth and Income Portfolio profiled here is designed for conservative investors seeking a balanced tradeoff between capital growth and current income, with a low tolerance for volatility.

Complete this Investor Profile to learn where you should be investing.

Assessing your circumstances, needs, goals, and risk tolerance is the first step toward a personal portfolio that will let you sleep, while your RRSP works.

Designed by specialists in behavioural finance, the STAR Personal Investor Profile asks non-intrusive questions to establish the types of RRSP and other investments most appropriate for you, based on a variety of factors – including the level of risk you can accept while pursuing your growth and income objectives.

Results from the questionnaire will assist an independent Financial Advisor to fully assess you and your situation and to recommend the diversified STAR portfolio of mutual fund investments best suited to your needs.

Investors consistently report that they find completing the Personal Investor Profile to be informative, entertaining and, frequently, surprising in its conclusions.

Five ways to assess what STAR Strategic Asset Allocation can do today for your RRSP. And for your peace of mind.

1. Take the completed Profile to your Financial Advisor, to begin the assessment process.
2. Contact your Financial Advisor and ask for assistance in completing the Profile, leading to selection of a STAR portfolio for you.
3. Tear out or photocopy the completed profile and mail it to Mackenzie. We'll then ask an experienced Financial Advisor to review the questionnaire and discuss the results with you before making a complementary portfolio recommendation.
4. If you aren't currently working with a Financial Advisor, return the enclosed postpaid card or call us at 1-800-524-6981 (answering machine) so that we may ask a professional to contact you.
5. Interact with us over the Internet through our Web site at <http://www.mackenziefinancial.com/mackclear.html>

Personal Investor Profile

GARRAISE INVESTMENT TECHNOLOGIES INC.



Name	Date
Telephone	
Please circle size	Mr Mrs Ms Dr

As an investor, you're unique. Your financial goals, current financial situation, and investment experience and attitudes all contribute to your individual Investor Profile.

Your answers to this questionnaire establish your personal investment goals and circumstances and your preference regarding investment risk.

These are the basis for deciding the type of investor you are.

Please complete each section in full. Scores for each response are shown in brackets. Sub-total the results from each page, then total your score at the end.

Your Financial Goals for this Investment

1. What is the major goal of your investment? Please choose the most important one.

- ☐ I expect to use these funds for a large purchase or expense within five years.
☐ I want to be certain that my capital is secure and that I have regular income now.
☐ I place dual emphasis on capital growth and income, with moderate fluctuations in year-to-year returns.
☐ I would like long-term growth and I am less concerned about income and return volatility at this time.
☐ I'm only interested in aggressive growth over the long-run, and accept significant short-term fluctuations in returns.

2. Your personal time horizon is an important part of your financial strategy. If you plan to invest for less than one year, you may experience a decision point of a market cycle without having the opportunity to take advantage of longer-term trends. A short-term bond or money market fund may better protect such short-term savings.

How long do you expect to have this money invested before you will need to withdraw more than half of its capital value?

- ☐ Next 2 years ☐ 2-5 years ☐ 6-9 years ☐ 10-15 years ☐ More than 15 years

Personal Background Information

3. Please check the range below which includes your age:

- ☐ Under 30 ☐ 30 to 39 ☐ 40 to 49 ☐ 50 to 59 ☐ 60 to 69 ☐ 70 and over

4. Which of the following best describes your current employment situation? Please choose one.

- ☐ Full-time ☐ Part-time ☐ Retired ☐ Homemaker ☐ Unemployed ☐ Student

5. If you are currently employed or will be seeking employment, in how many years do you expect to retire?

- ☐ 1-2 years ☐ 3-5 years ☐ 6-10 years ☐ 11-20 years ☐ More than 20 years
☐ I do not expect to work in the future.

6. How many dependents do you have? (Please do not include employed members of your household.)

- ☐ None ☐ One ☐ Two ☐ Three ☐ Four or more

7. Please indicate which of the following ranges includes your annual personal income, before taxes.

- ☐ Under \$25,000 ☐ \$25,000 to \$50,000 ☐ \$51,000 to \$75,000 ☐ \$76,000 to \$100,000 ☐ \$101,000 to \$200,000 ☐ Over \$200,000

Mackenzie
Building Financial Independence

Subtotal:

8. Your overall financial situation includes your employment circumstances (if you are not retired), your present and expected income level, your living expenses, and the amount of savings available for emergencies. You may also include the circumstances of other permanent members of your household.

Taking these factors into account, choose one of the following statements that best describes your overall financial situation.

- ☐ 2a My household financial situation is very substantially secure and stable.
☐ 1a My household financial situation is substantially secure and stable.
☐ 3a My household financial situation is moderately secure and stable.
☐ 4a My household financial situation is somewhat insecure and unstable.
☐ 5a My household financial situation is very insecure and unstable.

9. It is beneficial that this portfolio take into account your other investment assets. Equity-type assets include stocks, equity mutual funds, preferred shares, balanced mutual funds, international equity funds, options, and investment real estate. Personal residences and business ventures are not included.

Please indicate approximately the percentage of your current investment holdings that are invested in equity-type assets.

- ☐ 1 Less than 25% ☐ 2 25-50% ☐ 3 51-75% ☐ 4 Over 75% ☐ 5 Don't Know

Deciding on Investment Risk

This section is designed to help you decide how much investment risk is right for you. There are no right or wrong answers. Please indicate the choices that best describe your likes or the way you feel. The important thing is to respond according to your individual viewpoint, not how others think or how you believe you are expected to respond.

10. You are offered the opportunity to buy into a new franchise business for \$2,000. You have a 30% chance of getting back \$10,000 within 5 years and a 50% chance of losing half of your initial investment.

Would you buy into the venture for \$2,000?

- ☐ 1 Definitely ☐ 2 Probably ☐ 3 Maybe ☐ 4 Probably Not ☐ 5 Definitely Not

11. We would like to know what different aspects of "risk" in your investments mean to you. Please rate how important each of the characteristics below is to you - checking one box in the range from "Not important at all" to "Very important" in each case.

- | | Not important at all | 1 | 2 | 3 | 4 | 5 | Very important |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| a) Ascending any decline in my total portfolio over a one-year period | <input type="checkbox"/> 1a | <input type="checkbox"/> 2a | <input type="checkbox"/> 3a | <input type="checkbox"/> 4a | <input type="checkbox"/> 5a | <input type="checkbox"/> 6a | <input type="checkbox"/> 7a |
| b) Staying ahead of inflation over 3 years | <input type="checkbox"/> 1b | <input type="checkbox"/> 2b | <input type="checkbox"/> 3b | <input type="checkbox"/> 4b | <input type="checkbox"/> 5b | <input type="checkbox"/> 6b | <input type="checkbox"/> 7b |
| c) Variability in monthly returns of my overall portfolio | <input type="checkbox"/> 1c | <input type="checkbox"/> 2c | <input type="checkbox"/> 3c | <input type="checkbox"/> 4c | <input type="checkbox"/> 5c | <input type="checkbox"/> 6c | <input type="checkbox"/> 7c |
| d) A decline of 5% in my overall portfolio in any year | <input type="checkbox"/> 1d | <input type="checkbox"/> 2d | <input type="checkbox"/> 3d | <input type="checkbox"/> 4d | <input type="checkbox"/> 5d | <input type="checkbox"/> 6d | <input type="checkbox"/> 7d |
| e) The quarterly performance of each of my individual holdings | <input type="checkbox"/> 1e | <input type="checkbox"/> 2e | <input type="checkbox"/> 3e | <input type="checkbox"/> 4e | <input type="checkbox"/> 5e | <input type="checkbox"/> 6e | <input type="checkbox"/> 7e |
| f) The annual performance of my overall portfolio | <input type="checkbox"/> 1f | <input type="checkbox"/> 2f | <input type="checkbox"/> 3f | <input type="checkbox"/> 4f | <input type="checkbox"/> 5f | <input type="checkbox"/> 6f | <input type="checkbox"/> 7f |

End
your
survey

12. We would like you to think about the possible outcomes of two investment opportunities. You will be asked to consider investing 10% of your current net worth in one of these investments.

As with most investment opportunities, there are several possible outcomes. One of these is a large loss, at one-third (33%) of your investment. Investment A has a 1-in-10 chance of such a loss, while Investment B has a 3-in-10 chance of losing the same amount.

These two investment opportunities also offer the chance of a gain. Investment A has a 9-in-10 chance of a 12% return, while Investment B has a 7-in-10 chance of a 25% gain. Please compare both investment opportunities.

Investment A Possible Outcomes

Chances out of 10



Investment B Possible Outcomes

Chances out of 10



Investment A is less likely to have a large loss and it has a 9-in-10 chance of a 12% return. Investment B is more likely to have a large loss and it has a 7-in-10 chance of a 25% return.

If you were investing 10% of your current net worth and could only choose one, which would you prefer?

- ☐ 1 Investment A ☐ 2 Investment B

13. You have the opportunity to play one of these two wheels of chance offering different possible payoffs. The chances of each payoff are indicated by the numbers inside the wheel. Which wheel of chance would you prefer to spin?

☐ 1 Wheel 1



☐ 2 Wheel 2



When this wheel of chance is spun you win \$20,000 if the pointer stops in the blue area. Otherwise, nothing.

When this wheel of chance is spun you win \$40,000 if the pointer stops in the blue area. Otherwise, nothing.

14. a) One of the general "rules" of investing is that the pursuit of higher returns requires taking greater risks. One kind of risk that accompanies higher "likely" returns is the possibility that a decline may occur. Three sample portfolios with different risk/return characteristics are shown below. Please check the portfolio which you would choose as your most preferred investment.

"Likely" average annual return over a 5-year period

Chance of a decline in value in any 1 year

Portfolio	"Likely" average annual return over a 5-year period	Chance of a decline in value in any 1 year
1a A	8%	1 in 100
1b B	10%	6 in 100
1c C	11%	11 in 100

(These figures are based on historical performance data but are for illustration purposes only; they do not guarantee future rates of return.)

- b) Please check the portfolio that you would choose as your next preferred investment (other than your choice in 14a).

Portfolio ☐ 1a A ☐ 1b B ☐ 1c C

16 Each of the items below contains two choices, 1 and 2. In each case, please check which of the choices best describes your ideas or the way you feel.

- a) ☐ 1. I normally avoid activities that are dangerous.
☐ 2. I sometimes like to do things that are a little frightening.
- b) ☐ 1. I am not interested in experiences that are somewhat uncertain or unconventional.
☐ 2. I like to have new and exciting experiences even if they are somewhat uncertain or unconventional.
- c) ☐ 1. I would like to take off on a trip with no definite routes or timetable.
☐ 2. When I go on a trip I like to plan my route and timetable fairly carefully.
- d) ☐ 1. I prefer an unpredictable life that is full of changes to a more routine one.
☐ 2. I prefer a routine way of life to an unpredictable one full of change.
- e) ☐ 1. I am fairly cautious and think of safety first.
☐ 2. I am rather adventurous and like to take chances in various situations.

Subtotal

Page 1 Subtotal + Page 2 Subtotal + Page 3 Subtotal + Page 4 Subtotal = TOTAL SCORE

What type of investor are you?

After reviewing the results of this questionnaire, your financial adviser will assure that all relevant factors have been considered before recommending one of five fully RRSP-eligible STAR portfolios. However, these general guidelines apply.

Total score range	Your basic investor category
Fewer than 85 points	Only moderate tolerance for variability in year-to-year returns.
85 to 120 points	Seeking balanced growth and income without excessive volatility.
121 to 145 points	Oriented toward long-term growth, can sustain more variability.
More than 145 points	Pursue maximum long-term growth, greater risk is acceptable.

Invest Wisely. Important information about the STAR asset allocation programs is contained in the simplified prospectus of the Universal Funds, The Industrial Group of Funds and Ivy Funds. Obtain a copy from your financial adviser and read it carefully before investing. Use values of each fund within your STAR portfolio will fluctuate, as will the overall market value of your STAR portfolio, reflecting changes in the value of the underlying funds within your portfolio. Review your investment risk/tolerance objectives on a regular basis with your financial adviser to determine whether a change to a different STAR portfolio would be appropriate to reflect changes in your personal investment goals.



GARMAISE INVESTMENT
TECHNOLOGIES INC.

Mackenzie
Building Financial Independence

Mackenzie Financial Corporation
150 Bloor Street West
Toronto, Ontario, M5S 1B5

Mackenzie 1/97

MACLEAN'S/CBC NEWS POLL

GROWING INFLUENCE

Despite their reservations about some current business practices, poll respondents are overwhelmingly eager to provide enterprises to be playing a bigger role in society by 2008—and find the idea acceptable.



getson all those bodies, the stock price jumped 88¢ in the months that followed, worker discontent battled corporate outsourcing for headline space, while the stock market experienced an unparalleled bull run and some corporations posted their highest profits ever.

The supremacy of shareholder capital left politicians desperately trying to find corporate leaders who would speak against, about the importance of human capital. "We need to have a broader view of what the value is as a society," says Industry Minister John Manley. "How do these values interact with the free market corporate economy?" Manley wonders how we are to build a knowledge-based economy with so many being pushed out of work. "I think it's part of my job to push the corporate sector and urge them to take into account the enormous damage it does when you cost people side instead of retaining them."

In the run-up to the U.S. presidential election, U.S. Labor Secretary Robert Reich repeatedly called for a new corporate compact, one that cost-cutting companies not just to the shareholders but also to the other so-called stakeholders—employees, customers, the community at large—to which businesses are wedded. But just a week after the

Business is not just responsible to shareholders

election, "Chinese Air" (Dunlop), the newly installed head of the Sunbeam Corp., announced a staff slaughter, leaving just 6,000 workers where 12,000 once stood. Dunlop, too, has written a book, called *Mean Teams*, sort of a management guide to how you, too, can become a corporate Cretaceous. Much of Dunlop's address concerns his 21½ years as CEO of Philadelphia-based Scott Paper Co. There he cornered 11,200 employees—a third of the workforce—shipped assets and outsourced like mad (another 6,000 workers moved from the apparel division). And watched the stock rise. When he left Scott, Dunlop took \$130 million with him. The surgery had to be done, he said—"It was me or Dr. Kervorkian. I'm more far."

One hundred and thirty-five million dollars. Dunlop points out that the stock represents less than two per cent of the wealth he created for Scott shareholders. And therein lies the rub—the enormous influx of corporations to be held accountable to its goals other than the maximization of shareholder value. Certainly, the rewards to Canadian executives have been mind-boggling rich. This year's *Maclean's/CBC News* year-end poll asked respondents if they think those payments are too rich. Yes, say three-quarters, corporate leaders should keep their salaries in line with other employees. On the respondents who take the opposite view—that corporate leaders deserve their incomes—yesterday's Canadian aged 35 to 54 make up a disproportionately large share.

But under the rubric of corporate responsibility, there are broader questions that are much tougher to cut. Asked about the acceptability of profitable corporations pursuing worker layoffs, 58 per cent turn thumbs down. The rejection of staff cuts is good news in light of Quebec 64 per cent and the Atlantic provinces 68 per cent, the regions currently experiencing the greatest economic pain. But in Alberta, where the economy has been booming, that majority crumbles, with 51 per cent stating coarsely that it is acceptable for profitable companies to lay off workers, reflecting

already far and away the biggest concern of the poll respondents, it is not clear how well corporate Canada is likely to carry out that responsibility. David Nisbitt, president of consulting firm Ethicon Canada, says Canadian execs are basing on "today's market as the bell," a perception he, he says, by the financial markets' embrace of the "hedgehogs' solution." Leo Brookes, executive director of the Clarkson Centre for Business Ethics at the University of Toronto, analyst executives should know that the "moralist's" approach to downsizing, as he calls the practice of slashing through employees' numbers in the pursuit of profit maximization and improved cash flow, "is really a dumb idea." Only a third of his practitioners achieve their financial objectives, says Brookes, while paying a huge price as employee morale craters.

Both Nisbitt and Brookes take the broadest possible view of corporate responsibility, from environmental protection to human rights issues as they pertain to company trading practices. Brookes says the boardroom is getting the message that equating corporate responsibility makes good business sense. "We're clearly a long way ahead of where we were," he says, pointing to trends in pay equity and workplace health and safety. And he says, business will also evolve away from a profit as "any cost environment," as directors who grow up at that environmental cost power to younger executives who are more aware of the need to be accountable to a broad range of stakeholders.

Nisbitt is not so sure. He misses some of the rooms of the old guard, those now retired executives who felt at some dispassionate corporate responsibility. Brookes agrees there are less of those today. "Yes, I have run into executives who say that. They believe that the only thing that matters is the stock. But they think 'I think we're going to have those for a long, long time.'"

JENNIFER WILLIS

54%

say it is acceptable for companies to shut down departments and "restructure"—that is, lay these services' cost materials from other companies.

Those aged 15 to 24 are most likely to say that:
 • corporate layoffs drive their lives out of control (32%)
 • outsourcing is acceptable (63%)

At least once a year, Anna Rising endures a trip in a suitcase car at a bus stop, lying across Lake Huron and a swath of southern Ontario can fields to make a getaway to Toronto. There she feasts on the big city's fashion boutiques and the five-star amenities of her favorite hotel, the King Edward. The blond social worker lives in South St. Marie, a city of 80,000 in Northern Ontario that she calls "whiteville." Asked if she counts any members of visible minorities among her friends there, Rising grins, ponders and recalls a professor of East Indian origin who taught her more than 10 years ago. And she says the experiences as acute sense of culture shock during her shopping junkies to Canada's largest, most multicultural metropolis. "Sometimes I feel like I'm stepping off the plane into Asia," she says with a laugh. "Toronto has a lot of people from a lot of different cultures. The tale is coming in and it just keeps getting bigger."

The developing world's emergence as Canada's primary source of immigrants during the past two decades has confronted many long-time residents with radical change. And like Rising, a majority of Canadians expect that immigration over the next decade will further alter the complexion of the country's major cities—many dramatically, in fact, than even the most liberal demographic projections suggest. In the 1996 Maclean's/CBC News poll, 85 per cent of the respondents anticipate that urban Canada will have as many minorities as whites in the year 2005. And, significantly, an overwhelming majority—75 per cent—say they have no problem with that trend, and "I think that's great," says Courtney Betty, a Toronto lawyer in Toronto and former federal Crown attorney who helps organize visits by Sikh leaders to Canada to discuss with ethnic group problems. "Multiculturalism has reached a level of consensus between Canadians in Canada that is a model for the rest of the world."

At the same time, the poll findings suggest many experts who study migration, and a close look at the issue reveals some clouds on the horizon. The high support for a more multicultural Canada supports or reinforces other recent surveys that show a growing resistance to visible minorities. In eight nationwide polls during the past two years, roughly 50 per cent of Canadians have said that there are already too many immigrants in their midst. Forty per cent or fewer feel that the country currently has the right number of immigrants, those studies show, and about 30 per cent say there are too few immigrants.

Simon Fraser University economist Don DeWet, who heads one of the units of researchers across Canada now examining immigration issues in an 800-page, 100,000-word study, says the explanation for the apparent discrepancy between the polls while Canadians are accommodating about immigrants in their



Toronto subway platform
crime and unemployment

Nowhere is that anxiety more apparent than around the contentious issue of jobs. Some economists argue that it makes no sense to ask if immigrants harm employment as a nation developed by newcomers who opened lands, provided cheap labor for factories and created demand for housing and other goods. But in terms of Canada's modern economy, experts say there is no way to conduct a controlled study to determine whether unemployment will increase or decrease in the absence of immigrants. University of Toronto economists Michael Baker and Douglas Benjamin approached the problem indirectly by comparing the rates at which established Canadians and immigrants drew welfare and unemployment benefits. According to a study they published last year, immigrants who arrived in the early 1970s were 20- to 25-per-cent less

likely to draw unemployment insurance than settled Canadians, and 15-per-cent less likely to go on welfare. But those differences have been shrinking. Immigrants who arrived in the late 1980s were only three to seven percent less likely to draw UI, and the gap for welfare usage had almost disappeared. "It tells you that the labor market is able to absorb the number of immigrants we have received, but that their economic performance is deteriorating," says Benjamin. "Overall, though, they don't have a big effect on unemployment."

The researchers say the experience of the United States is nearer to measure. In an article in the November issue of *American Monthly*, Harvard economist George Borjas concluded that immigration has only a marginal effect on U.S. output, but the economy as a whole. But he noted that large-scale migration of low-skilled workers during the past three decades has redistributed wealth by suppressing the wages of poorly educated native-born workers while improving the profits of employers.

DeWet found a similar pattern in Canada, but one that cut along regional lines. In a 1992 Canada-wide study of labor market DeWet identified 52 in which immigrants displaced established residents, in the others there was either job creation or no impact attributable to immigration. The sectors experiencing job displacement—textiles, furniture making, meat-cutting and sheet metal, among others—are concentrated in Central Canada. The industries in which immigrants created jobs—food processing, wood products and tourism—are mainly in the West Coast. But respondents to the Maclean's/CBC News poll appear oblivious to those differences. In what could be a good omen for a more racially mixed Canada is roughly the same in all regions.

PAUL KADILA

Canada's changing face

Acceptance blends with concerns about new immigration

are in the country. DeWet contends, they display anxiety when asked about continued high levels of immigration in the face of economic uncertainty and shrinking public services.

These thoughts surface in the Maclean's/CBC News poll on questions dealing with the impact of immigrants on two institutions: income and crime. Almost half of the survey's respondents say that newcomers take jobs away from established Canadians—compared with just 25 per cent who feel immigrants create jobs and 25 per cent who feel they have no impact on employment. At the same time, more than two-thirds of Canadians think that immigrants contribute to the country's crime rate.

But those concerns do not stop Canadians from expressing a general sense of optimism as they envisage a more multicultural Canada in the next decade. "Our society is opening up a lot," observes Betty. "I am a new young, black female lawyer working for top Bay Street law firms. A few years ago, that was unheard of. We've come a long way." In Vancouver, where many people blame the high cost of housing on an influx of Asian newcomers during the past decade, ethnic community activists greeted the 75-per-cent acceptance

level in the poll enthusiastically. "I find it very encouraging," says Victor Wong, president of the Vancouver Association of Chinese-Canadians and an outspoken critic of racial intolerance. "It shows that Canadians are far-sighted. That's important because if current trends continue, Canada's largest cities will become majority nonwhite at some point in our lifetime."

According to demographers, however, Toronto is the only major city likely to approach that benchmark by 2005. Visible minorities now make up about one-third of the Toronto area's five million inhabitants. According to a 1993 study by John Sewell, an adjunct professor of sociology at Carleton University and former chief of demographic policy for the department of employment and immigration, that figure will be 45 per cent by 2001. Extrapolating his study's results, Sewell says that Toronto could be about half nonwhite by 2005. By then, he predicts that visible minorities will account for more than 40 per cent of Vancouver's population, which is currently 27-per-cent nonwhite. The projected figures for Montreal, Ottawa, Windsor, Osh, Winnipeg, Calgary and Edmonton are between 20 and 30 per cent, and they are less than that for Canada's other cities. Tides of the overwhelming majority of poll respondents, the Soc's Rising responds positively towards that future. "I'm open to living with all types of cultures," she says. "But I worry about increasing racial violence. I feel it when I walk Toronto."

83% of respondents think it is likely there will be as many minorities as whites in Canada's major cities in 10 years, and 75% of respondents find that acceptable.

69% of respondents say new immigrants contribute to the crime rate. (Opposit: 84% in British Columbia, lowest 59% in New Scotia.)

46% of respondents believe new immigrants take jobs away from more established Canadians.

• University students are more likely than others to believe immigrants help create jobs (27%), those with high-school education or less are more likely to say they take jobs away (53%).

Distinct headaches

Quebecers are feeling the pinch in a tough economy



Premier Minister Jean Charest may not care about the Justin Trudeau revolution from the United Nations as a great place to live, but from the tightly secured Montreal shop where Paolo Gomez runs his jewelry business, the nation seems rather miserably Shabby before Christmas. Gomez, 51, looks copes of a Toronteanese community newspaper while waiting for a rash of shoppers that he isn't deterred by. By sabbath he has served only a few clients, making small purchases. Business is "too quiet for comfort," says Gomez, calling it one of the worst years in a decade. Aside from high taxes, he notes that the country has a serious unemployment problem that needs fixing. "It's keeping going down, it's going to be hard to live here," Gomez protests.

Many Quebecers share his pessimistic outlook. Respondents to the Maclean's/CBC News poll are decidedly more negative than other Canadians about the country and their future. More than 60 per cent say they are more pessimistic about the future than they were a decade ago—well above the national average of 46 per cent. In a province where the unemployment rate in the nine cities hovers several points above the national average, it is not surprising that jobs are foremost among Quebecers' concerns. But a more pessimistic view of society leading into the next millennium comes through on other subjects as well—ranging from whether government pensions will exist to whether people will work harder for fewer rewards.

Allan Gregg, chairman of Toronto-based The Mantle Council Inc., which conducted the poll, thinks the gloominess simply reflects the province's political and economic uncertainty. "Quebecers," he says, "are more acutely aware of the conflicts and contradictions that they face, and that they believe are, if not untamable, certainly enduring." Economist Pierre Parizeau of the Université du Québec à Montréal says that Quebecers and their economy have been through a difficult year. The pessimism is colored by the "very short-term reaction," says Parizeau.

However, with the prospect of another Quebec referendum looming before the turn of the century, three-quarters of respondents in Quebec—and across Canada as a whole—believe the chances of secession have not increased since the narrow vote in October, 1995. "It's been just about the status quo," observes David University political scientist Louis Bellavance, who argues that "although the sovereignty movement is no closer to its ideal, Canada itself is not in very good shape, either." Montreal businesswoman Lucie Bouchard, who voted "Yes to sovereignty" in the 1995 referendum, thinks another "Yes" vote may be the route to go "so that we'll be respected. And after that we can

negotiate agreements." Ideally, Bouchard says she would prefer that Quebec stayed in Canada, but she wants to see the province recognized as a distinct society and a sovereign people.

Premier Lucien Bouchard has placed sovereignty on the back burner to focus on the economy, but the issue is still hot. Almost perfectly reflecting the "Yes" vote of the 1995 separation referendum, 69 per cent of Quebec respondents say it is likely that Quebec will become a separate country by the year 2000. And that is a prospect that fully 55 per cent of Quebecers—including 90 per cent of francophones—find acceptable.

Numbers that Gregg considers last score than a year away from the "Yes" referendum, 69 per cent of Quebec respondents say it is likely that Quebec will become a separate country by the year 2000. And that is a prospect that fully 55 per cent of Quebecers—including 90 per cent of francophones—find acceptable.

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Montreal has a more pessimistic, indecisive, rebellious society

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Predictably, Quebec also carries its own distinctive path on some issues, including feeling it more likely and acceptable than other Canadians that Canada or any part of the country will join the United States within the next eight years. Quebec also has what Gregg calls a "strong pro-business ethos," with more Quebecers than other Canadians willing to see private businesses take on a greater role in society. In their personal attitudes, Gregg notes, Quebecers are "far more pessimistic and indecisive." After Newfoundlanders, they report the most social activity among Canadians. They are also the least likely to call Canadian society too permissive, and are slightly more accepting than other Canadians of gay couples adopting children, although the majority of Quebecers disapprove of the idea, says Gregg. "That whole notion of love, love, love, because it may all just be floating, is very strong."

Françoise Guénette, host of the television show *Droit de parole*, which features debates about social, political and cultural issues, believes that in modern, multicultural Quebec, it is a clash to check the differences up entirely to a Latin character. "They also alien from Quebec society's rapid evolution in the past 30 years, she says, which saw the voluntary rejection of the Roman Catholic Church, marriage and many other conventions and institutions. There may also be a tendency to rebel, she adds. "Smoking is not as badly viewed as Montreal as in Toronto," says Guénette. "We still smoke liberally here in public buildings without much complaint."

In his jewelry store, Gomez, the opposite separatist, says he does not expect to see an independent Quebec in the near future. His reasoning: deficit-induced provincial spending cuts have hurt people who vote for separation. "They're feeling they cannot do without the rest of Canada," Gomez says. Lucie Bouchard agrees the separation is "far away people, this pessimism might produce a reaction that, whatever happens, we have nothing to lose; that things are as bad anyway." Both are sentiments that separatist and separatist forces will as doubt play on when the unity debate—as it must—becomes front and centre again.

BRENDA BRANWELL
in Montreal

THUMBS DOWN TO 'PLAN B'

Do you think the federal government taking a tougher attitude with Quebec would make the Quebec government more or less willing to negotiate a deal with the rest of Canada?



42% of Canadians, including **49%** in Quebec, think it is likely that Quebec will become a separate country in the next 10 years. What's more, **37%** of Canadians, including **55%** of Quebecers, find that an acceptable solution

42% of Quebecers risk unemployment as the next important problem facing Canada, compared with **31%** in all of Canada.

38% of all Canadians and **37%** of Quebecers say the chances of Quebec leaving Canada have decreased in the past year since the October, 1995, referendum.

58% in Quebec and **47%** in the rest of Canada say Canada should just let Quebec go if it wishes to secede. The highest British Columbia and Alberta is at 55%.

The edge of tolerance

It's love, '90s style. "We met on the Internet," says Carole Moon in a soft Alabama drawl, warning to the subject of her soon-to-be spouse. "Very quickly, we absolutely clicked!" Then, last summer, after months of casual intimacy and two brief visits, the 35-year-old scapegrace mother gave up her job as a secretary in Auburn, Ala., and moved to Vancouver to live with her new partner, Kristina Vaughan. The two women plan to marry in January, and Vaughan, a 35-year-old real-estate assistant, has applied to attend Moen's 10-year-old biological daughter, Lind, who is 10.

"We are as close as a heterosexual couple as you can get," says Moon—although not close enough for her conservative family, who will not attend the wedding. "But Kristina's parents have been great," she adds. "At first, they were taken aback, but they have been very supportive." Moon, who says she feared discrimination in her native Alabama, is heartened by Canadians' acceptance of their unconventional relationship.

"Here, if we build heads in the grocery store, it's no big deal," she adds. "Nobody says anything." Most Canadians, it seems, are prepared to live and let live. More than half of the respondents to this year's Maclean's/CBC News poll—53 per cent—say that attitudes towards "premarital sex, complex living together before marriage and alternative lifestyles and sexuality" are "about right." Another 11 per cent think that Canada is "too permissive enough." But at the same time, about 34 per cent of respondents—including many women like Frances Mino, a retired school teacher from Mount Albert, Ont.—believe that Canada is "too permissive." The issue, says Mino, is clear: "Premarital sex is breaking the moral foundation of our society." But the majority of Canadians take Moral Nelson's middle-of-the-road approach: "People say, 'Oh Lord, when is it going to end?'" observes the retired Edmonton nurse. "That of permissiveness means trying to understand another person's lifestyle and point of view, then live somewhat permissively."

Some-sex couples like Mino and Vaughan, however, might not encounter such tolerance in other regions of Canada. While 66 per cent of British Columbians say they are open to "alternative lifestyles and sexuality"—second only to 77 per cent of Quebecers—poll results show a much more conservative attitude on the Prairies, especially in rural areas. "It's not too friendly here," says Peggy Ward, a 37-year-old 146 singer who lives in Calgary with her partner, Cheryl 38, and their three young children. "We got stared at by other parents when we go to the schools for our kids, we get stared

at when we stand in line at Safeway," says Ward. "Lots of gays and lesbians move away and kids stay in the closet. What would really like to be able to go out to a restaurant and hold hands and not have it become a political act."

While most Canadians express an acceptance of alternative lifestyles, the line is quickly drawn when children enter the equation. Only 35 per cent of poll respondents find adoption by homosexuals acceptable, but the great majority, 80 per cent, reject the notion. The question of adoption, notes pollster Allan Gregg, "is where some-sex equality starts breaking down—when you reject the issue of children, everything starts to get very, very different, very, very quickly." It is a sensitive issue, says openly gay Blue Quebecer MP Rod Monard. "I have had no discrimination in my riding," he says. "But I'm not sure a majority of people would recognize my right to adoption."

To University of Lethbridge sociologist Ronald Bibby, the poll results reveal a growing backlash against gay rights. Bibby, who has tracked social trends in Canada for nearly two decades, notes that although support for gay rights climbed from 50 per cent to 60 per cent between 1976 and 1990, more recent polls indicate that it has dropped to 46 per cent. "In theory, people thought it was appropriate that homosexuals should have the same rights," says Bibby. "But as the gay community became more overt in areas like same-sex benefits and adoption, people are backing up a bit."

But not young Canadians. The poll shows that respondents ages 18 to 24 are more likely than their elders to accept the adoption of children by homosexual couples. They are also much less likely to think Canada is too permissive. Ottawa sex therapist Sue McGivie believes these attitudes in younger generations are leading to "a new sexual revolution." At a recent public appearance in an Ottawa department store, McGivie—who hosts what may be the most graphically sexual open-line radio show in the country—observed that when she talked about positions for intercourse, "the blue-haired set was flipping out," while younger listeners appeared very receptive. "Sex is no longer about morals, it's no longer a prudish religious issue," adds McGivie. "It's OK. Let's do it so it's fun and good in our hearts and feels good in our bodies."

And, according to the poll findings, sex is making a comeback. This year, 65 per cent of respondents report that they are sexually active—of whom 12 per cent claim that they are "very sexually active." Though that number is still below the high of 74 per cent in Maclean's first year-end survey in 1980, it ends the steady decline in sexual activity that began at the height of the AIDS scare in the mid-1980s. "For a while, people slowed down because of AIDS," says Paul Satchdev, a professor of social work who teaches a course in human sexuality at Memorial University in St. John's, Nfld. "Now, we are de-stigmatized, the scare is at the back of the mind and there's more risk-taking."

Love-making appears to be most frequent among those ages 25 to 44, but a high income and better education also go hand in hand with more sex. And despite the image of the swinging big city, there was almost no difference in sexual activity among city and country dwellers. There is a significant gender gap, however, with 75 per cent of men claiming to be "somewhat" or "very" sexually active, compared with only 50 per cent of women. That is about the same as last year, when Satchdev says that lack of male style exaggeration may play a part in some responses. "It's really the case," adds Bibby. "Or is it the way men think they should respond in our culture?"

Satchdev may have chosen the most brutal spot in Canada to study human sexuality. Once again, as in all 12 previous year-end polls, Newfoundland outranks every other province, with 78 per cent of respondents claiming to be sexually active. "There is nothing much to do with the depression in the economy," explains Satchdev, "so you channel your energies in another direction." Quebec comes in a close second, with 75 per cent saying they are sexually active. Saskatchewan, where just 54 per cent of respondents report sexual activity, holds down last place.

One of the most unexpected findings is in the prolonged sex lives of baby boomers, many of whom are now in their 50s. "In earlier polls, we noticed a real dropoff in sexual activity at age 45," says Gregg. "Now, that doesn't happen until 55. It appears to have been pushed back an entire decade." On reflection that is not surprising, he adds, for a generation has been tracklessly hanging on to their youth. "Satchdev offers an academic rationale. "There is a strong correlation between the extent to which you are sexually active during your younger years and the likelihood you will be sexually active in later years," he says. "So, 'the sex life is 15 years.' Baby boomers (the numbers are just starting to change by major statistics) boomers—are obviously stretched for time. Or is there still a whole lot ahead of you?"

Canadians balk at gay couples adopting children



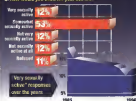
Ward: We got stared at when we go to the schools for our kids



SHARON DOYLE/STUDIOCITY

SEX IN CANADA

Q: How would you describe your sex life?



81% of those earning higher incomes—\$48,000 or more—describe themselves as sexually active, compared with 65% of respondents overall.

Only 16% of Toronto gay-pride parade attendees were active

34% say society is too permissive in its attitudes towards things like premarital sex, people living together without marrying and other alternative lifestyles. 53% say it's attitudes are "about right."

65% find the notion of homosexual couples adopting children unacceptable. That attitude is most prevalent in the Prairie provinces (75%).

A post-deficit agenda

The public wants action on the tough issues: youth unemployment, the future of work

BY ALLAN R. GREGG

"In 20 years of analyzing poll results, this year's set of findings in the black ink I have ever examined." That was the frank conclusion I reached last year on reviewing the results of the 12th Maclean's year-end poll. It revealed a public that—arguably for the first time in modern history—was anticipating a future mostly defined by, and more difficult than, the past. Now, on the surface, our 12th year-end poll looks much the same, but behind the cloud of pessimism, it reveals the first signs of a desire on the part of the public to look beyond the prevailing slash-and-burn mentality and focus on a positive, problem-solving, post-deficit agenda.

While the nation's mood does not appear to have improved in the past year, people's attitudes towards some facets of the future they anticipate seem to be shifting and evolving. Even in the gloomy outlook persists, Canadians appear to be growing more accepting of (and less frustrated, angry and despondent with) their worsened prospects. In fact, there is at least a glimmering acceptance of concrete alternatives which, some years earlier, Canadians were not prepared to consider.

Consider, for example, the prospect of a two-tiered health-care system that would allow a user-pay service. Or of having private universities for those who can afford them, and charitable organizations providing social services in the place of government. Canadians, historically, have not tolerated tampering with the "sacred ruins" of universal access to health care, an emblematic educational system and a generous public safety net. Today, we find not only an overwhelming consensus that those options will exist within a decade, but a majority of Canadians declaring that they are acceptable alternatives to the status quo.

What we are detecting is something that could be called "redefined anxiety acceptance." Having concluded that their future will be fundamentally different from their past, and having dwelled on this prospect for some time, Canadians now seem ready to entertain previously unthinkable alternatives. Rather than denigrating, lamenting or criticizing a past which they feel is gone forever, the electorate appears ready to confront (and accept) various options for the future. The population is displaying a pragmatic willingness to

alter some of the attributes of the present-day policy framework in order to preserve its content. In other words, better health care, private universities and non-governmental charity have become, for many Canadians, preferable to no health care, no university access or no social welfare.

Without a doubt, a prime cause of this acceptance is a more secure understanding of the limits of public finances and of the constraints imposed by government debt. Having been bombarded for more than a decade with warnings from all quarters on the perils of escalating debt and the importance of reducing deficits, Canadians have progressively and overwhelmingly bought into this message. Consequently, in the last five years there has been virtually no public-opinion terrain upon which to stake a contrary stand. In that climate, the cornerstone of almost every governmental agenda in Canada has become deficit reduction. (The big exception is British Columbia, and that is where the poll finds the highest level of concern over the deficit and the greatest demand for more action from government.)

Even so, this poll uncovers evidence of an emerging belief that we may have turned the corner on the debt problem. As many Canadians now say they believe that future deficits will be lower as expected than to be higher. This points an interesting dilemma for the nation's leaders—namely that, while no government can afford, politically, to appear to ignore its deficit, the population has begun looking beyond that issue and seeking a post-deficit agenda. What is more, in those areas where the public has had the time and opportunity to ponder concrete alternatives, it is becoming more willing to consider them.

At the same time, the public is far less not acquiescent on substantial issues related to its future than it has been in the past. It is demanding that its leaders turn their attention beyond the deficit to begin exploring new, proactive policy alternatives. The electorate has (once again) moved ahead of its leaders, both in terms of embracing pragmatism to accept "tough measures" for deficit reduction and a desire to seek out solutions. That is evident in the overwhelming numbers who report that no federal party has "concrete solutions to some of the major challenges that we are facing as a nation." That finding, more than any other so far made public, points to the vulnerability of the Liberal incumbents—and to the solidity of the opposition parties to exploit that vulnerability. Notwithstanding the Liberals' commanding 31-candidate-two-month lead in the polls, the Maclean's/CBC News poll shows that their

strength is almost exclusively rooted in their opponents' weakness. Those parties' weakness, in turn, rests both in their unwillingness to introduce pragmatic measures to preserve social programs and, even more glaringly, in their inability to begin a public re-examination of a post-deficit agenda.

In that regard, the poll identifies the issue most likely to be the centerpiece of that agenda: work. The respondents showed their biggest concern to be finding permanent employment, the worth of work while employed, retirement income and income security in the event of unemployment. To these challenges, Prime Minister Jean Chrétien has uttered half of the answer the public is seeking. His response that job creation is the private sector's responsibility is right, in the extent that there is now a widespread consensus that the private sector should be playing a larger role in society. Where Chrétien misses the mark is in not addressing the corresponding belief that, while business should be stepping into functions previously performed by government, it is not, indeed, while about right in if Canadians accept a larger role for the private sector in the future, almost six in 10 also believe that government should step profitable corporations from laying off employees.

As much as this evolving mood is creating new pressures on government, it will also generate new demands on the corporate sector. And if they are not addressed, those demands in all likelihood will translate into new pressures on government to force business to live up to its new responsibilities. The irony of this analysis, of course, is that a cynicism that has become conservative, deflationist and pro-business is preparing to gildify governments not for doing less work, but for doing more.

As a result, there may be a new guard to advance deficit-cutting treacles or offering no cuts. One has been the indication of virtually all opposition and governments. Rather, the vulnerability—and opportunity—for today's leaders is both the public and private sectors will be coming from the left, which could lend its voice in growing demands that business share the benefits of its economic activity with its employees and communities.

More practically, these findings suggest that the population is losing its tolerance for governments that avoid such long-term issues as youth unemployment, pension reform and the future of work. Whether Canada's leaders are willing and prepared to face up to the public's increasingly demanding yet pragmatic tale will determine if anyone will be prepared to follow them into an uncertain future. □

Canadians now seem ready to entertain previously unpalatable alternatives



Allan Gregg, who has conducted the Maclean's year-end poll for the past 12 years, is chairman of Toronto-based The Strategic Council Inc.



31% say the most important issue facing Canada is unemployment, followed by 15% citing the deficit.

but 76% say no federal party has concrete solutions to the nation's problems.

While 37% of respondents believe government deficits will be higher in the next few years, 36% now believe they will be lower.

49% say they are now more pessimistic about the future than they were a decade ago.

36% say their financial situation worsened in the past decade, compared with 30% who say it has improved. Those earning less than \$20,000 annually or aged 45 to 54 are more likely than others to say things got worse.

Sounding the nation's mood

The 13th annual Maclean's year-end poll, which takes the pulse of the nation, was conducted by Toronto-based The Strategic Counsel Inc. For the second straight year, CIBC TV's *The Monitor* joined in the venture, to present programs based on these results on Dec. 23 and 24.

The findings, expressed in percentages of respondents, emerged from telephone interviews that The Strategic Counsel conducted from Nov. 21 to 28 with 1,500 Canadians ages 18 or older, selected randomly across all 10 provinces. (There was no sampling in the Yukon or Northwest Territories because of the difficulty of obtaining statistically significant polling results for such sparsely populated areas.) To

reduce the margin of error at the provincial level, sampling took place disproportionately to ensure a minimum of 90 respondents, even in the smallest provinces.

National results: 1,072 respondents, weighted to take into account the selective over-sampling, are considered accurate to within three percentage points, 19 times out of 20. Accuracy ranges are wider for results from individual provinces and subgroups. Highlighted figures throughout the report focus on statistically significant results. Numbers in tables and charts are rounded off and, in most cases, "don't know" and no-answer responses are eliminated. For these reasons, the total percentages frequently do not add up to 100.

GENERAL ATTITUDES

1 What is the most important problem facing Canada?

Unemployment	31
Deficit/government spending	25
National unity	9
Economy-general	6
Health care	6
Other social services	4
Taxes	3
Crim/Violence/Justice	2
Education	2
Environment	2
Government-general	1
Monthly foreign trade breakdown	1
Immigration	1
Native/Aboriginal issues	1
Agricultural issues	1
Indigenous/Indigenous issues	1
Women's issues	1
Trade issues	1
Terror/terrorism	1
Other domestic issues	1
Other	1
Don't know	5

2 Are you more or less optimistic about the future than you were a decade ago?

More optimistic	30
A little more optimistic	17
A little less optimistic	20
More pessimistic	32
Not changed over the past 10 years	2

3 In the past 10 years, would you say your personal financial situation has...

Getten much worse	12
Getten somewhat worse	34
Stayed about the same	39
Getten somewhat better	21
Getten much better	9

4 The United Nations and other international organizations have consistently evaluated Canada as one of the best countries in the world to live in. In the next decade or so do you think it likely that Canada will continue to be rated so highly?

Very likely	35
Somewhat likely	29
Very unlikely	3

MILLENNIAL EXPECTATIONS

For each of the following, how likely do you think it is that it will occur between now and the year 2050?

Very Likely	Somewhat Likely	Somewhat Unlikely	Very Unlikely
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9. There will be two types of health-care systems, one for people who want and can afford private care, and medicine for those who can't but don't want to pay

46	25	30	7
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10. There will be private universities for those who are prepared to pay the full tuition

48	34	22	6
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11. There will be little or no government assistance for those who lose their jobs or who have no means of support

34	33	28	30
----	----	----	----

12. Many people will never find full-time work throughout their lives

45	30	12	8
----	----	----	---

13. Technology will make life a lot easier for Canadians

32	30	18	22
----	----	----	----

14. Scientific discoveries will increase our health to the point where almost everyone will live well past 100 years

30	33	30	34
----	----	----	----

15. There will be serious conflicts or wars in Canada's urban centres

20	30	10	4
----	----	----	---

16. Canada as part of Canada will join the United States

30	19	24	43
----	----	----	----

17. Canada will be a separate country

17	35	32	16
----	----	----	----

18. Governments will use identifiable expenditures to provide many of the social services that they provide now

40	39	13	7
----	----	----	---

19. The role of people living beyond the borders and physical frontiers will be much greater than today

48	33	16	4
----	----	----	---

20. There will be a revival of spiritual values and a rejection of materialism

17	30	18	23
----	----	----	----

21. People will be working longer hours for lower rewards than they do now

45	30	13	6
----	----	----	---

22. There will be no more government programs, and in order to have a job, you will have to provide for one by making personal contributions on your own

49	31	10	8
----	----	----	---

23. Private enterprise will play a much bigger role in our society than it has in the past

33	34	7	4
----	----	---	---

POLITICS

24. Does any federal politician truly have someone he listens to when it comes to the major challenges we are facing as a nation?

No, none	70
Liberals	30

25. Reform party

Conservatives	4
NDP	2
Liberal-Quebec	1
Don't know/Other	8

26. How many provincial governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

27. How many federal governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

28. How many provincial governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

29. How many federal governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

30. How many provincial governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

31. How many federal governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

32. How many provincial governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

33. How many federal governments have been in the last 10 years?

None	2
One	1
Two	1
Three	1
Four	1
Five	1
Six	1
Seven	1
Eight	1
Nine	1
Ten	1
Eleven	1
Twelve	1
Thirteen	1
Fourteen	1
Fifteen	1
Sixteen	1
Seventeen	1
Eighteen	1
Nineteen	1
Twenty	1
Twenty-one	1
Twenty-two	1
Twenty-three	1
Twenty-four	1
Twenty-five	1
Twenty-six	1
Twenty-seven	1
Twenty-eight	1
Twenty-nine	1
Thirty	1

QUBEC

34. In the past since the Quebec referendum, do you think the chances of Quebec leaving and Canada breaking up have...

Increased significantly	6
Increased somewhat	17
Remained about the same	20
Decreased somewhat	55
Decreased significantly	5

35. Do you think the federal government taking a harder stand with Quebec will...

Make Quebec more willing to negotiate	28
Make Quebec less willing to negotiate	38
Have no real impact on the level of unemployment	30

THE ACCEPTABILITY FACTOR

36. Following list of things that might happen by the year 2050, how acceptable do you find each one?

Totally acceptable	Somewhat acceptable	Somewhat unacceptable	Wholly unacceptable
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37. There will be two types of health-care systems, one for people who want and can afford private care, and medicine for those who can't but don't want to pay

27	30	39	34
----	----	----	----

38. There will be private universities for those who are prepared to pay the full tuition

34	27	36	21
----	----	----	----

39. Most people will be working longer hours for lower rewards than they do now

23	28	25	44
----	----	----	----

40. There will be little or no government assistance for those who lose their jobs or who have no means of support

7	16	27	50
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41. Private enterprise will play a much bigger role in our society than it has in the past

10	30	30	40
----	----	----	----

IMMIGRATION

42. Do you think that new immigrants in Canada...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

43. Do you think that new immigrants in Canada...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

CORPORATE RESPONSIBILITY

44. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

45. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

46. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

47. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

48. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

49. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

Corporations will be able to attract more investment in Canada	25
Take jobs from those already established in Canada	45
Have no real impact on the level of unemployment	30

50. Some people say that separate trade deals between the large U.S. cities they are doing business with and their own regions and beyond from other companies...

The 21st century and beyond will belong to China. This will be the age of Asian Tigers and Dragons.

THE DAWN OF A NEW MILLENNIUM

BY PETER C. NEWMAN

It's kind of like the early days of the universe after the big bang, when gases were condensing and galaxies were forming. No one is really sure how it will all sort out, and it's not yet clear where Earth is.

—Tony Cangel, president, Bank of Montreal, commenting on the millennium, in Canadian Business, Don Tapscott's new book, *The Digital Economy*

When Bay Street bankers sound like *Hausfrau* gurus, you know the world is turning upside down. Welcome to the eve of the 21st century.

As the new millennium approaches—it's now a scant 16 months away—everyone has become an armchair futurist. Yet, as Yogi Berra so wisely observed, "the future isn't what it used to be." While some of the events and trends that will dominate the new millennium are already in place, most are beyond our imagining. Of those trends we can identify, and expect to continue, a few are comforting, some are exhilarating, and many more are nightmare-inducing.

The diagnosis of "global financial anxiety" will become commonplace, yet at the core of this anxiety there will remain a great, even growing, excitement at being alive. This is human nature after all, as the late 19th-century American satirist Ambrose Bierce observed in *The Devil's Dictionary* under the entry for "future": "That period of time in which our

affairs prosper, and the odds are true and our happiness is assured."

As we move into the next century, a new way of being will take hold in this country. On Dec. 31, 1999, Canadians will feel the traditional flow of their lives being cut, what comes later will be very different from what came before.

Instead of remaining locked to the circumscribed deference and self-denial that held us back for so many generations, Canadians will follow an ethic of personal fulfillment that stresses self-reliance, autonomy, questioning of established authority and orthodoxy, and the pursuit of a better quality of life, rather than a higher standard of living. Canadians will work to ideas, not to money, will possess a lively sense of personal limits, and will come to rely on character instead of personality. Life in the 21st century will be what each of us makes of it, not what some government,

points are personal, and public events—some more awe-inspiring than others—become the seedlings of a new collective culture: the birth, crucifixion and resurrection of Jesus Christ, the D-Day landings in Normandy, the assassination of John F. Kennedy, Montreal's Expo 67, or the magical goal by Paul Henderson that beat the Soviets at the national game—all, in their own way, helped define Canadian culture. To that list must now be added the dawn of the new millennium.

When one year ends and another begins, people become both concerned and elated—worried about the change the future will bring, yet enthusiastic about the possibility of new beginnings. The annual ritual of death and renewal is magnified 1,000 times at the turn of a millennium. The immediate change will be more psychological than physical. Nothing will feel the same, because the millennium will have placed borders around our experi-

ence, no less real than the borders on a map. We will refer to events in the landscape of our memory as being either pre-millennial—as if the year 1999 were as remote, hazy days of yore—or as post-millennial, referring equally to the day's headlines (or Web feeds) and events up until the year 2000. All that goes will have become prologue to the 21st century.

Unless the warnings of some prophets, pundits and political scientists come true (of the three, the prophets have by far the best record for accuracy), their bleak approach will not stop history in its tracks. On the contrary, the last couple of decades have witnessed an unprecedented acceleration of history. In Europe, national borders that were deftly defended against invaders since Hannibal have fallen to be replaced with the European parliament as well as half a dozen new democracies. Ideological borders have been erased, their physical manifestation being the symbolic destruction of the Berlin Wall. The re-integration of Canada was the biggest domestic story, with Quebec appearing ready to raise an ideological and geographical curtain of its own.

Quebec, incidentally, will not leave Canada during the next millennium, realizing that to settle its claims of nationhood would be far too risky and expensive an undertaking, but that re-creating them is perpetually profitable. A thousand years from now, Ottawa will have become so desperate to come up with a solution that instead of the current Plan B scenario, Plan W will be "under active consideration." By then,

Forecast: the world is turning upside down



corporation, church, or even family, wants to become.

These trends are already in place, but the turning point of midnight, on Dec. 31, 1999, will provide these new attitudes with the necessary catharsis to establish them as generational values. Life unfolds according to a sequence of markers. Most of these way-

Vancouver Park, B.C.: Newfounder will feel oceanic growth

them will only be three years before the next millennium—and only three letters left in the alphabet.

In the past decade, our systems of two national parties, which between the mid-1980s governed Canada since Confederation, was tested and found wanting. Such bedrock institutions as the 300 Cross, the Canadian Football League, the Catholic Church, the Canadian Forces, the monarchy, and most other touchstones that once regulated our lives were discredited to various degrees. Gone with them was the certainty of being able to depend on the past as a guide to the future.

Then the rate of change is changing. Its pace will cause Canada to spin around even faster on its axis. In Lester K. Brown's 1996 essay, "The Acceleration of History," the president of the Washington-based Worldwatch Institute observed that people born since 1950 have seen more population growth in three lifetimes than during the preceding four million years. "The world economy is growing even faster. It has expanded from \$4 trillion in output in 1950 to more than \$20 trillion in 1995. And in just the 10 years from 1985 to 1995, it grew by \$4 trillion—more than from the beginning of civilization until 1950," warned Brown. "The pace of change in our world is accelerating to the point where it threatens to overwhelm the managerial capacity of political leaders."

Despite the massive political and social shifts we are bound to experience in the coming century, it is the lightning advances in science and technology that will most profoundly affect our lives. In the next decade, genetic engineering will begin to approach a miraculous state of grace that will eventually allow us to preselect much of the life we wish to lead—though the ethical implications of this new science have yet to be decided. Disease will not be eliminated, but the contours of our weakness—or lack of it—will be immovable, and medicine will be able to handle predictable problems. Inborn illnesses will be eradicated by injecting new genetic codes into developing embryonic cells.

Scientists are also developing so-called antisense therapies that block certain messenger cells from developing, which may prove to be the best way of defeating cancer, AIDS, hepatitis and other chronic diseases. These transplants will advance cures for diabetes, muscular dystrophy, Parkinson's disease and Alzheimer's.

As finite human reproduction seems place in test tubes or artificial wombs, sex will become purely a recreational activity. On the molecular biology front, the limits of cloning will take incredible leaps. "I know people," wrote American futurologist Gabriella Miller recently, "who are developing a small cord with 10,000 micro-wells on it. You'll be able to breed with a drop of blood, and in a few hours have the results for 30,000 different disease diagnoses."

The intuitive leaps and cross-pollination of ideas that make scientific discovery possible will be a pronounced feature of the 21st century, the result of global communications becoming as cheap as political promises, as fast as quackery, and as simple as breathing. The most significant scientific breakthroughs will happen in computer technologies, which have made the communications revolution possible. Personal computers will accept voice commands and more information about the Earth, display and via satellite, at the speed of light. According to Neil Gaiman, the computer revolution really provided the platform for the real revolution: art. Artists are the cornerstones of a new, worldwide communications network. "We'll communicate with it through a variety of devices, including some that look like television sets, some like today's personal computers, some will look like telephones and some will be the size and something like the shape of a wallet," he



Strategic, nearly 300 Chinese cities are being hit with more than one million residents.

physical disabilities." Gates has predicted. Because of the size of Chicago, Canada is bound to be on the leading edge of the communications revolution. During the next decade, this country will be reeled with fiber-optic networks that will carry most forms of communication, becoming the 21st-century version of the vanished continental railroads. (In the same time, artificial intelligence—an opponent for our times, given the scarcity of the real stuff—will become ever less artificial and ever more integrated. Computers will not learn how to think but how to learn, independent of human guidance. The microchip will take its rightful place among history's last greatest inventions—the others being fire, the wheel, and hard rock service.

But it is the Internet and its many siblings that will have the most devastating effect on Canadian society in the next century. A fully operational, universal digitized information highway (of which the Internet will occupy but a single lane) will destroy much of the personal privacy we now enjoy. (Look to your daughter and have a hungry pit bull to guard your Web page.) Not since Johannes Gutenberg printed his *Missal* Bible with movable type in 1455—marking the mass distribution of the written word—possible—has there been a communications revolution as profound as this. While both spread up new fields, in our crucial respect the information highway runs in the opposite direction from the Gutenberg revolution. Where cheap and plentiful Bibles allowed medieval folk to read across the word of God, the Internet will allow people isolated across the globe to sit at their digital equivalent. The desk as machine will be the machine itself, providing its users with such credible "virtual" reality that it will challenge the attraction of the "virtual" reality around them.

The virtual marketplace will eliminate the need for "real" retailers: agents, bank clerks, travel agents, stockbrokers and almost all other workers in the service sector whose employment is based on

simple buy and sell transactions. These will be easier handled at points along the information highway, but this raises the most complex legal problem of policing cyberspace: how will electronic transactions, expected to reach at least \$100 billion early in the new millennium, be taxed and regulated? A panel of Toronto jurists debating the issue recently decided that the only effective way to maintain legal control of cyberspace may be to punish tax dodgers and unscrupulous business deals with the ultimate sanction: banishment from the Net. Otherwise they will be allowed their own virtual alibi postscript reality, since as British prisoners were once sent to Australian penal colonies.)

Between now and the last day of December, 1999, at Rotary conventions, Canadian Clubs and businessmen across the country, maybe after midnight together will declare that the 20th century will be long to Canada. They will be wrong, just as the 19th century will be long to Canada. The next millennium will not belong to Canada—or to anyone else, east of Hawaii. This will be the age of the Asian Tigers and Dragons, the opening of China as the world's dominant power.

In the next four years from 1991 to 1995, the Chinese economy grew by a staggering 57 per cent, raising the per capita income of its 1.2 billion citizens by more than half to about \$600. China will become the world's largest economy by some time early in the 21st century—outrunning the United States in a percentage of wealth with many of its urban citizens enjoying higher standards of living than the richest Americans and Europeans. The few remaining legacies of Communism will be dropped and Greater China will include not only Hong Kong, Taiwan and Macao, but its mongered and powerful diaspora, Singapore, whose skyline already challenges that of Hong Kong, will emerge as the commercial head-quarters for the People's Republic. A recent Canadian visitor to that city reports a construction binge unimagined anywhere else, with many of its urban citizens enjoying higher standards of living than the richest Americans and Europeans. The few remaining legacies of Communism will be dropped and Greater China will include not only Hong Kong, Taiwan and Macao, but its mongered and powerful diaspora, Singapore, whose skyline already challenges that of Hong Kong, will emerge as the commercial head-quarters for the People's Republic. A recent Canadian visitor to that city reports a construction binge unimagined anywhere else, with many of its urban citizens enjoying higher standards of living than the richest Americans and Europeans. The few remaining legacies of Communism will be dropped and Greater China will include not only Hong Kong, Taiwan and Macao, but its mongered and powerful diaspora, Singapore, whose skyline already challenges that of Hong Kong, will emerge as the commercial head-quarters for the People's Republic. A recent Canadian visitor to that city reports a construction binge unimagined anywhere else, with many of its urban citizens enjoying higher standards of living than the richest Americans and Europeans.

An ungrated part of China's industrialization will be an accelerated emphasis on education. China already has at least 200 million more high-school graduates than the United States, and anyone who visits any Canadian campus quickly realizes how significant the Asian presence has become. (Statistics reveal that their quality is even more impressive than their quantity.) As these young men and women return home to join the ranks of earlier generations of graduates, Chinese society is bound to become increasingly liberalized and free-wheeling, its citizens at least to voice their rights and grievances. Exposure to Western society will raise the demand for political reforms, but even more so, for cars, a television and home appliances.

Escalating tensions could become volatile because of the beds of China's largely rural population, who have lived through a half century of Communist rule and rampant Maoism, and the newly adulated urban class, which worships long lines on the Long March. An astonishing 300 million peasants are expected to be uprooted from their communal farms over the next decade by current market reforms and the chronic shortages of arable land. They are moving into China's overcrowded cities and no one knows how these internal cities will earn their way in places that can't handle their existing growth rates. As the moment, nearly 100 Chinese cities are already bursting with more than a million inhabitants, and their current birth rate will add the equivalent of Canada's entire population over the next two decades.

Meanwhile, demographers agree that the Earth's population will increase by nearly 600 million per year in the early part of the next



has written "And at the heart of each will be a powerful computer, invisibly connected to millions of others." The effect of this change will be so wide-ranging, he adds, that the computer will be more than an appliance. "It will be your passport to a new, globalized way of life."

Gates has also described in some detail the requirements for a virtual reality body suit, which would deliver our reflexes to 10 million "bubbles," or particles of sensation, across the body's surface. This would trick the skin in much the same way as rapidly changing still photographs trick the eyes into believing they are watching "moving" pictures. The result would be felt as a simple continuous sensation, allowing users to experience their "virtual" bodies in cyberspace. "It will probably first be used to help people with

The chasm between the rich and the poor is bound to grow even wider

their rights and grievances. Exposure to Western society will raise the demand for political reforms, but even more so, for cars, a television and home appliances.

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Meanwhile, demographers agree that the Earth's population will increase by nearly 600 million per year in the early part of the next



century. Most of this growth will take place in what is now wrongly called "The Third World." If the industrialized Western democracies (including Canada) were to admit only 10 per cent of this growth

balloon, this would amount to admitting 200 million people by the year 2020, transferring the industrial powers beyond recognition. Not too many years after we celebrate the millennium, Canadians will discover that the Old Canada with its "RUST" economy is not so easily obsolete; it will have ceased to exist. The white Anglo-Saxons who once ruled this country will become a viable minority, roast beef and Yorkshire pudding will be reduced to one of those exotic ethnic dishes that people munch on Parliament Hill every Canada Day. Despite its growing ties with Asia, both of blood and money, Canada will remain on the eastern periphery of the Asian region, and it may well count this as a blessing. Of the eight billion people expected to inhabit the Earth by 2020, the five billion who live in Asia will produce at least a quarter of the world's goods. According to Ricardo Petrella, until recently the official historian of the European Union, much of Asia's population at that time will be lived into 50 cities with 30 million inhabitants each. The environmental and social problems this will cause are beyond imagining.

Petrella, whose official title was head of the Futures Assessment in Science and Technology (FAST) program at EU headquarters in Brussels, makes some brutal predictions. He sees the world as dominated by "a hierarchy of 30 superpowers linked more to each other than to the territorial hinterlands to which the nation-state once bound them. This worldly webpage of city regions—with more or less intangible populations of eight to 12 million—will be run by alliances between the global overlord class and metropolitan governments whose chief function will be to support the international competitiveness of the global firms to which they are hosts." (Petrella, now head of The Group of Twelve think-tank, lists Vancouver as the only Canadian city truly as a 21st-century city region, though his rankings exclude Montreal-Toronto-Chicago as a "super region.")

The most disturbing aspect of Petrella's vision is that beyond the walls of these wealthy enclaves, he foresees what he calls "unorganized humpbackness," where "poorists uprooted from the land by free trade try to eke out an existence in violence-ridden metropolitan settlements of 15 million to 20 million or more." That these

Petrella's Chinkens:
the only city to qualify as a
21st-century city region

than 45 per cent of the world's population. As this imbalance becomes even greater, social control will increase. In response, the upper crust could share its wealth—but more likely its members will retreat behind head guards and gated fortress enclaves, where they will live in safety—and perpetual fear.

The cluster of fear will find another growth industry—personal security. Along with such everyday defenses as walkie-talkies, dogs and armed response teams, the protection industry will expand into sophisticated neural surveillance. The newest gadgets will include satellite images and helicopters with infrared cameras that can detect the heat from a burning cigarette. The growing ground for such equipment in the Los Angeles Police Department, which already operates four Aerospace helicopters with 30 million on-board power spotlights to burn night into day, and a separate fleet of Bell Jet Ranger whirlybirds that can ferry SWAT teams as quick as a cat's paw. It is only a matter of time, as the corporate world of tomorrow, before such services are promoted and offered to the highest bidder.

If all this weren't scary enough, sociologists predict that Tokyo and Los Angeles, both built on geographic fault lines, stand a good chance of being hit hard in the first half of the next century. Apart from such acts of God, nature's backstage will be the most treacherous water over systems.

The motor of economic growth was once fueled by oil, in the next millennium, the precious fuel will be water. According to the World Bank, chronic water shortages affect 80 nations and 40 per cent of the world's population. The demand for water double every two decades and much of it isn't where it's most needed. The main flash points in the water wars will be the militant demands for freshwater diversions from the rivers Jordan, Mekong, Ganges, Indus, Tigris, Nile, Zambezi, Danube and the Grande. Indeed, in a little-noticed watershed, the government of Mexico submitted an unusual loan request in May, 1996, to the United States. Unlike the widely publicized loan following the peace crisis of the previous year, however, the request was not for dollars but for water—some 100 million cubic metres, enough to supply Metropolitan Toronto's needs for nearly three months. It was a chilling indicator of things to come, as Sandra Postel, director of

(Continued on page 52)

YOUR GUIDE TO SLIDE II



ADVERTISING SUPPLEMENT TO
THE DECEMBER 30, 1996 ISSUE OF
MACLEAN'S MAGAZINE

SPECIAL
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PAGE INSIDE



Discover Skiing
& Snowboarding!

INSIDE

The Slope Navigator:
A first timer's guide to snow

SnowFacts, Nordic Necessities,
Special Olympics & Snowboarding's
Ticket to Ride...

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Be WINTER Active Discover Skiing & Snowboarding!

SNOWFACTS

We've all done it. When asked to take the family out for winter sports weekends we scramble for reasons as to why it can't happen. "We're busy," we say, adding hurriedly, "and our car probably won't start this Saturday."

Our kids look doubtful as they head back to their video games, and it's in the ensuing silence we realize our reasons are actually excuses, and have more to do our own fears than imaginary car trouble. While we're busy worrying, our kids are snagging winter with an excitement only kids can muster. Their eyes see snow as pure and white and full of endless possibilities. Ours should, too.

This season, be winter active.

SNOWFACT #1: Snow sports help warm up winter.

SNOWFACT #2: The product book can take a break with Discover Skiing and Snowboarding packages at resorts across the land. These programs offer legitimate lifts, lessons and rental equipment from \$19.99 for riding and from \$24.00 for snowboarding.

SNOWFACT #3: Skiing and snowboarding can take as little or as much time as you have. Many Canadian ski areas offer flexible scheduling so that you can ski by the hour, half day, or by night.

SNOWFACT #4: Discover Skiing & Snowboarding packages include a lesson with a Canadian Ski Instructors' Alliance/Canadian Association of Snowboard Instructors certified pro. The pro will put you on the ski path of least resistance. No pain, big gains.

SNOWFACT #5: On the slopes, you're as warm as your clothes are. Cover yourself from head to toe with lots of knee-fitting layers. Stay heated and happy.

The Discover Skiing & Snowboarding supplement has been produced by the Canadian Ski Council with funding and support provided by:



Photo courtesy of the Whistler Resort Association, Mount Tremblant, City of North York Parks & Recreation Department, Ontario Government

Slope NAVIGATOR

GRAVITY GETS YOU DOWN

In skiing, letting gravity get you down is a good thing. First you need snow. Then you need skis, boots, poles, a ski instructor, a Discover Skiing Lift, Equipment & Lesson Package, and at least a little bit of gravity to get you sliding.

Discover skiing packages are sold at most Canadian ski areas. For an average of \$29.95, the bargain includes a pass to beginner lifts and the rental of skis, boots and poles. It also includes a group lesson that will cover the ABCs of sliding.

THE ABCs OF SLIDING

Group lessons show you just how easy sliding is to learn.

A First your instructor will cover the ins and outs of your skis, poles and bindings – how to get in, how to get out!

B Next he or she will help you find your balance on skis, and will teach you how to stop. It's easy once you know the proper way.

C Learning to change direction on skis – la piece de resistance – follows. Again, easy once you know how to place your skis in a wedge or – snow-plow, as it is often called.



CHECK IT

RUN, UP & WARM UP.

Check off the following items as you're off to the slopes:

- ☐ Hut or Headband
- ☐ Thermal Undershirt
- ☐ Turtleneck
- ☐ Goggles or Sunglasses
- ☐ Warm winter gloves
- ☐ Warm-up pants
- ☐ Gloves or mittens
- ☐ Warm socks
- ☐ Neck & face warmer
- ☐ Sunscreen



Discover
CARVING

Carving skis are for skiers with snowboard envy. Skiers can now look back at their tracks and be impressed.

NORDIC NECESSITIES

To glide, stride, skate and slide this winter, follow these simple guidelines.

Rent properly-fitted equipment from a local ski shop. Travel to a local nordic ski area where there are well-groomed, well-marked trails. Start your day at the lodge, where you'll find the necessary cross country skier services: trail passes, ski school desk, equipment rental, refreshments and food and beverage services. Take a lesson and discover the secret of an effortless glide.

CROSS COUNTRY JACKRABBITS

In a continuing tribute to nordic legend Jackrabbits, Cross Country Canada has locked off its 1997 programs for the Jackrabbits Ski League – a country-wide youth program for nordic skiing.

The league, open to young children and adolescents, includes fun

and games on cross country skis, fitness and nutrition tips, positive lifestyle habits, fitness training and some healthy competition. The program is available at participating nordic ski centres across Canada. For more information, contact Cross Country Canada at (613) 748-5662, e-mail: cc@ffmcc.ca, Website: <http://canadaxc-c.com>

THE SAFETY SALUTE

Next time you're on a hill and spot a bright yellow jacket sporting the ski patrol logo, say "hi" to the safety guy! Or gal. The uniform means the person inside is

- 1... Committed to helping you enjoy skiing and snowboarding;
- 2... Available to answer your questions and offer assistance;
- 3... Setting an example of safe skiing at all times;
- 4... On duty and carrying a first aid kit;
- 5... A Canadian Ski Patrol member trained in winter rescue and first aid.

For more information, contact the CSPS, 4551 Southclark Place, Ottawa, ON, K1T 3V2, T 613-822-2345, F 613-822-1088



Discover Skiing
& Snowboarding!



THE World is COMING

The 1997 Special Olympics World Winter Games are coming to Southern Ontario February 1-8, 1997. Toronto and Collingwood are hosting the international event that includes nordic and alpine skiing, speed and figure skating, and a number of other winter sports. With 2000 athletes attending from more than 90 countries, the Games are the largest international multi-sport event in the world for 1997. Established more than 25 years ago, the Games are dedicated to providing

sport and fitness training for people with mental disabilities. For more information on events, tickets, volunteering, etc. call 1-800-557-9777 or visit the website at www.97games.org.

If you would like to make a donation to the Canadian Ski Patrol System, contact the CSPS, 4551 Southclark Place, Ottawa, ON, K1T 3V2.





PHOTOGRAPH BY JEFFREY M. HARRIS

Your Ticket to Ride

Discover Snowboarding!

To snowboard is to cop an attitude. Young, old, in-between — it doesn't matter. Age is not a factor in the sport of bulldozers and walls, half-pipes and bulls. It's all in your walk, your talk...and a few bits of essential equipment. Here are a few tips on apparatus to ensure your first descent goes smooth and you stay in the groove.

Start off with a "freeriding" board that has a bad (meaning good) reputation for being versatile. Women's boards — built shorter with more flex — are huge (meaning popular), too. Boots appear both in "hard" style (with a rigid plastic outershell similar to ski boots) and in a lighter, highly

adaptable "soft" style similar to snowmobile boots. Pick the soft if you're into all-terrain freeriding. Go with the hard style if you're up for wide-open, big-speed riding on hard pack. Clothing is the easiest — closet panic does not apply to snowboarding's easy style. Riding clothing is functional, loose fitting, layered, funky, and, above all, waterproof.

Once you're there, put yourself on your area's list for a **Discover Snowboarding Lift & Lesson Package**. It's a cheap, all-in-one way to rent snowboard equipment, use the beginner lift, and have a snowboard instructor certified by the Canadian Association of Snowboard Instructors help you earn and learn your ticket to ride.



PHOTOGRAPH BY JEFFREY M. HARRIS



IT ALSO COMES IN BLACK

It remembers names and phone numbers.

It sends E-Mail, and faxes from your laptop.

It reminds you of important messages, it calls

your voicemail, emergency 911 and 2 other

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JANUARY 18-26, 1997

Be WINTER Active

It's wild and fun. It's outside, on snow, under the sun. It happens only once a winter: It's National Ski and Snowboard Week, guaranteed to wow Canadians from January 18 to 26, 1997.

National Ski and Snowboard Week (NSW) is a sometimes sunny, always snowy, fairly and funky party that celebrates the one thing all Canadians have in common—winter. Each year we Canucks bide our time through the long, dreary

months of spring, summer and fall waiting for the season we can truly call our own. And when it finally happens, we bow to the gods of winter, head to one of hundreds of Canada's ski, snowboard and cross-country areas, and celebrate snow.

This year the NSW events Canadian resorts have planned are spectacular. There's something for every Canadian, of every ski and snowboard ability. For the young (and young at heart), there are crazy

hat days, jackrabbit Nordic races and radical on-snow music jam sessions. For the budget conscious, there are 2-for-1 lift and lesson deals and discounted Discover Skiing and Snowboarding packages.

NSW promises fabulous opportunities for snowmen, and snow-women, and snowbabes. If you have yet to try skiing or snowboarding, January 18-26 is an excellent week to give it a go. Discover Skiing Beginner Packages, offered at more than 100 resorts across Canada, feature all-inclusive lift, lesson and rental discounts that will help you learn to ride and slide.

If you're a snowman with some experience under your parka, use National Ski and Snowboard Week as an opportunity to take a lesson anyway. Every good skier and rider needs a tune-up once in a while, and lessons can only smooth out your slide.

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MILLENNIUM SPECIAL REPORT

the Global Water Policy Project in Cambridge, Mass., has written, "only water scarcity threatens the three fundamental aspects of human security—food production, the health of the aquatic environment, and social and political stability."

She quotes an old Inca proverb: "The frog does not drink up the pond in which it lives." That wisdom is now forgotten in the American, and the water shortage will be felt closer to home. A 2007 presidential task force predicted that one-third of the United States will suffer from severe water shortages by the millennium—which was then 13 years away, not from—and supplies have been drying up ever since. With 10 per cent of the Earth's freshwater supply—more than any other country—Canada will come under enormous pressure to share its legal reserves with the American West Coast and midwestern states. Canadians will be tempted to abandon resistance and sell off their last bargaining chip. The threat of water, not a French-speaking homeland, will be the greatest threat to the Canadian state in the coming century. Many years too late, Canadians will learn whether the continent, and continent-wide change in the Canada-U.S. Free Trade Agreement seriously about the American right to drink, bath and begin spring water, or to drink Lake Superior.

Business in the 21st century will flourish, as free enterprise adapts to its global playground and takes over from its erstwhile and largely bankrupt public sector. Apart from taking off the profits they possibly can, the main objective of the transnational corporations will be how to minimize their taxes. With governments cracking down on tax havens, corporations will flee into a kind of nevermore land, a tax-free Shangri-la of their own invention. How will governments lose taxes on firms whose owners live in one country, build a factory in another, sell their products in a third, and invest their profits in a fourth, while not claiming corporate residence in any of them? Carl Gustav, a former chairman of Dow Chemical, once fantasized about purchasing "an island owned by no nation" that would serve as "truly neutral ground," so that people could "operate in America in U.S. dollars, in Japan as Japanese and in Brazil as Brazilian."

Outsourcing and co-sourcing will be the orders of the day. The vertically integrated company will go the way of the dodo, but, as companies fragment their operations and share resources with their competitors, The Pacific among Canadian firms to share the cost of developing electronic banking, an apt example. The life-cycle of new products will become so brief that there will be no time for most new toys to be manufactured by the companies that developed them. Instead, companies that achieve technological breakthroughs will license them, own to their limited needs, and collect



Wendell's winning goal at 1972, a goal that helps define Canadian culture

the machine age, people will once again be thrown back on their individual talents and resources. That transition will be exhilarating, empowering and tough. Even working at home will come under pressure. The pressures of the next millennium will require more fortitude. The sense of individual vulnerability and collective angst bound to tint daily experience can be reduced only through the strengthening of our inner spiritual resources. The indispensable lesson we must learn, on the cusp of the 21st century, is to remain open to new experiences, so that instead of worrying about the details of an unpredictable future, we allow our lives to unfold with hope and enthusiasm. Only by claiming our own future—and that of our immediate families and communities—will the human spirit prevail.

On that midnight clear, three years from now, we may share a moment of mutual understanding. Amid our inflated hopes and fears, we will remember the fire storm of change that swept through our lives in the past two decades—and we will raise a glass of bubbly—"To the good old days..." □

reynolds. The average lifespan of new consumer electronic products will be reduced to 90 days. A curious new phenomenon known as the "bimodal sector" will kick in, prompting very large and very small companies to succeed, while in-between companies disappear. The trend has already taken root on Bay Street, where the giant bank-owned brokerage firm boasting and promise to grow even larger, will ditched-down boutique investment houses are also doing well. Of the middle firms, only Midland Willys survives. This trend will spread to every type of business, from auto manufacturing to computer software development.

The search for jobs will grow even more desperate in the 21st century, with Canadians (perhaps even Bush followers) finally realizing that the era of lifetime employment is truly over. By the millennium, most Canadians will either be overworked or underemployed, with as many as eight million involuntary outcasts working out of their homes or shared offices. The labor force will be further stressed as the country's traditional demographic balance is overturned. Canada will have more pensioners than children as early as 2020.

In a dramatic reversal of the Industrial Revolution, which pushed a medieval society into the machine age, people will once again be thrown back on their individual talents and resources. That transition will be exhilarating, empowering and tough. Even working at home will come under pressure. The pressures of the next millennium will require more fortitude. The sense of individual vulnerability and collective angst bound to tint daily experience can be reduced only through the strengthening of our inner spiritual resources. The indispensable lesson we must learn, on the cusp of the 21st century, is to remain open to new experiences, so that instead of worrying about the details of an unpredictable future, we allow our lives to unfold with hope and enthusiasm. Only by claiming our own future—and that of our immediate families and communities—will the human spirit prevail.

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1996

THE YEAR IN REVIEW

The Seventh Lean Year in the Land

Canadians face austerity
with a mixture of resignation
and resistance

Fighting Back

A part from the added leap-year day, 1996 produced no excess for millions of Canadians out of work, or otherwise in severe circumstances. A stubbornly slack economy, made meaner by toughened governmental austerity and more corporate cutbacks, enlarged the toll of the unemployed by 10 per cent to more than 1.5 million people. More than 500,000 others are dropouts from the job hunt or never managed to join the shrinking labor force. Part-time jobs account for most of a recent marginal net increase in employment. Bankruptcies ballooned at a rate that pushed the 1996

Clashes only against layoffs and cuts in services at the provincial legislature in Toronto on Oct. 20, the culmination of mass demonstrations in several cities.



Fighting Back

gone broke totals towards 15,000 businesses and 80,000 job-sheds (up by 20 per cent for the second year running). The year-end Maclean/CBC News poll found most respondents resigned to the prospect of a future without enough jobs to go around or sufficient support for the jobless, the sick, the poor and the old. But that expectation also aroused public anger and resistance among most, as did the relentless cross-country drive to downsize. In the seventh lean year since the start of the slump in 1980—and for the first time in significant numbers—people took to the streets in protest.

Thousands registered their resistance through strikes, marches and demonstrations. Efforts to gain job security—vital for some, only tangentially for others—provoked major strikes in central Canada: by 55,000 Ontario government employees only in the year and 26,000 autoworkers in the fall. Strikes against province-by-province reductions in health care erupted from British Columbia to New Brunswick. On a crusade against cuts in social services, thousands of women marched from St. John's and Vancouver to join a nine-day demonstration in Ottawa. Opponents of provincial policies staged mass protests in Ontario and Quebec. For many, the actions recalled the anti-bank and anti-war demonstrations of the 1960s and 1970s. Others caught an echo of a march on Ottawa and other protests during the Great Depression of the 1930s, which gave rise to social benefits—welfare, unemployment insurance, pensions and, ultimately, medicare—now threatened or endangered by budget-cutting federal and provincial governments.

Not everything in 1996 was anxiety and anger. In direct counterpoint to job losses, investors and the financial industry enjoyed a bonanza year. Pumped-up business on the Toronto Stock Exchange set records. Bank profits, and multi-million-dollar salaries to top bankers, did likewise. Corporations changed hands for billions of dollars. Canadian Airlines escaped bankruptcy with bailouts from Ottawa, Alberta, British Columbia—and from its employees via another pay cut. Thousands assigned to pay upwards of \$100 a seat for diversions in the basketball arena or musical theatre. Baseball's Toronto Blue Jays lured Roger Clemens away from the Boston Red Sox with a promise to pay him more than \$20 million for three years' work. And the federal government reported progress in its campaign against its annual budget deficit—most notably, a \$5-billion surplus in the Unemployment Insurance fund following a squeeze on payouts.

And some markets were forecast better times ahead—but only, they advised, if consumers get over their insecurities, take advantage of tumbled interest rates and start spending borrowed money to back up the economy. There were similar predictions at the outset of 1996, although not by the Conference Board of Canada, which correctly forecast a slack year and looked farther ahead for more of the same in 2007. And Prime Minister Jean Chrétien, declaring that it is up to the business community to stimulate employment, was far from upbeat about the outlook. "Jobs are not satisfactory," he conceded in a Calgary speech on May 22. "Probably they never will be."

CARL HOLLINS



PHIL WILSON/ALFRED WATSON

As Quebec Premier Jacques Bouchard confronted a Montreal summer of business and labor tensions on Oct. 26, demonstrators against layoffs and budget cutbacks burned a Bouchard effigy outside. During a Flag Day ceremony on Feb. 10 in Hull, Que., Prime Minister Jean Chrétien got physical with one of a group of protesters against federal retrenchments in unemployment benefits. And during a persistent protest against the lagging of old growth pine near Temagami, Ont., police carried away one of a group blocking a road into the forest.

Echoes of the protest movements during the Great Depression



PHIL WILSON/ALFRED WATSON

1996 Fields of Pain

THE YEAR IN REVIEW



Strife and
starvation lay
waste to lives
in ancient
lands

The plagues of war and its aftermath infected many regions of the world in 1996—from civil conflict in central Asia to hunger and disease in vast encampments of war refugees in central Africa.

Across the Muslim world, from Algeria to Afghanistan, Islamic factions fought and fought each other, their personal Jewish enmity in kind and innocent bystanders. In separate killings on the same day, April 18, militant Muslims gunned down 18 Greek tourists at a hotel near the pyramids

of Egypt, and Israeli artillery, retaliating against rocket attacks from southern Lebanon, shelled a UN base near Tyre in a barrage that killed more than 100 Lebanese refugees. The victims later were buried in a mass funeral (right). Again on a single day, Sept. 26, as an outbreak of riotous frustration as former-Yugoslavian peace accord and caused dozens of deaths, Afghanistan's Taliban rebels, warring against fellow Muslims, overran the Afghan capital of Kabul.

In late October, Canada led the way toward what

was placed as a multinational effort to rescue from the threat of starvation Rwandan Hutu refugees—fugitives from a 1994 civil war—from beleaguered camps located in Zaire, most torn by civil strife. But just as a vanguard of Canadian troops began arriving in the region in mid-November, hundreds of thousands of Hutus suddenly abandoned the Zairean camps and trekked home to neighboring Rwanda (above). A month later, more thousands of Rwandans, camped in nearby Tanzania, also headed home—as did about 200 Canadian soldiers after the United Nations called off the mission to central Africa.





1996 THE YEAR IN REVIEW

Disasters

Nature's cruelty,
bombing terror and
a plague of airline
crashes wrought a
heavy human toll

July was the cruellest month in a year of natural and manmade disasters. After a two-day July storm poured a month's worth of rain into Quebec's Saguenay River system, the waterways became a lethal juggernaut that killed 10 people and forced about 12,000 from their homes in crushed communities of the Clarendon region (left). Canadians contributed at a rate that worked out to almost a dollar apiece—\$27 million in all—to an emergency relief fund. On July 24, during the evening rush hour outside Colombo, the capital of Sri Lanka, a bomb tore apart two cars of a commuter train while stopped at a station, killing 78 people and injuring about 450. That was part of a civil war between Tamil and Sinhalese citizens that has ravaged the Indian Ocean island nation for 18 years. It is also part of a worldwide pattern of bombing incidents in furtherance of

one or another ethnic, religious, political or even personal cause. The Irish Republican Army, after a 17-month ceasefire in its war against the English, resumed using the bomb on Feb. 9—a truckload of explosives that killed two men and injured about 800 people and shattered buildings in London's Docklands neighborhood (below).

The night of July 17 brought death to all 255 people aboard Trans World Airlines Flight 800. The Boeing 747 jumbo jetliner exploded as it climbed out of New York towards Paris, leaving wreckage (above), corpses—and an slating mystery on the tragedy's cause—in the Atlantic off Long Island. That was one of eight major airline accidents that took almost 1,500 lives throughout the year. The deadliest: the 349 people killed in a midair collision southwest of New Delhi on Nov. 12 between a Swiss Airline jetliner and a cargo plane from Kazakhstan.



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CFCF Montreal airs *Canadian Heroes* at 10:00 p.m. on Friday, December 27, 1996.



1996 Comings and Goings

YEAR IN REVIEW

Political stars waxed,
waned or discovered a
way into new orbits



At times during the year, the field of politics took on the bustle of an arrivals and departures lounge. In January, barely three months after Quebecers narrowly rejected the separatist option in a referendum, Lucien Bouchard left the leadership of the Bloc Québécois to take over the Parti Québécois—and the presidency of Quebec—from Jacques Parizeau. This was not surprising publicly. For some at the height of the spat in the fall, it seemed that Parizeau might bail for Bouchard's former job, but he abandoned that option a week before Christmas in favor of serving as a watchdog guarding the purity of the separatist cause.

In the space of less than three spring weeks in Ottawa, restlessness stirred up both the governing Liberals and the Reform party. Liberal unrest arose from the disparity between the government's performance and the great expectations aroused by the party's 1993 election campaign—abolition of the GST, fast pace, economic growth and jobs, for one. The mini-drama's main players, Ontario MPs John Nantel and Sheila Copps, had been public disturbers as members of the parliamentary rat pack when the Liberals were in opposition. The caucus expelled Nantel because he voted against the government's austere program-cutting national budget. Copps, the deputy prime minister, quit the Cabinet because the government had switched on the GST income, but repudiated her seat in a June by-election. The Reform caucus, meanwhile, suspended MPs David Charters and Rob Hughes, the party whip, for making atrocious remarks about gays and blacks. The same parliament was mired out to moderate Reform member Ben Mevius (who then quit the party) because, as party leader Preston Manning put it, she had "unfairly portrayed the Reform party as being rife with extremism." In October, their reputations tarnished by a federal inquiry into Canadian military misbehavior in Somalia, Defence Minister David Collette and Gen. Jean Boile, chief of defence staff, resigned.

In the United States, Republican Party Leader Bob Dole's tumble off an election campaign stage symbolized his status as a loser to Democrat Bill Clinton. After his re-election in Nov. 5, Clinton used the U.S. veto to make sure that UN Secretary General Boutros Boutros-Ghali would not also get a second term. The Egyptian UN leader, after the butt of American ridicule, had offended Washington by not always bowing to U.S. wishes.





Michaels often made the news during the year—from basketball's Jordan, singer Jackson, boxer Tyson and entrepreneur's Jackson, all Americans, to Canadian politician Harris, Hercourt and, in a French variant, Michel Gauthier. Cast appropriately in complimentary roles (as successors of the biblical warm-an-archangel), the Michaels of '96 wound up in or out of public favor, sometimes with a bit of both.



IN:
Superstar Jordan, who not only led his Chicago Bulls to pre basketball dominance but made a hit movie debut, sharing the screen in *Space Jam* with Bugs Bunny and Daffy Duck.

Olympic double gold medalist John Sebastian, who won the 200-m and 400-m sprints at the Atlanta Summer Games. His 200-m triumph set up a dispute whether title to the world's fastest man belongs to him or to 100-m winner Donovan Bailey. The issue is to be settled in a 1997 showdown—over 100 m.

Harris, who marked his first anniversary as Ontario's premier in June and held on to high public ratings, despite growing opposition to his downsizing of services, staff and the legislature itself.

OUT:
The bearded Hercourt, who quit as B.C. premier in February after a scandal that tarnished his NDP government—and him, for mishandling the news.

Singer-dancer Jackson, who divorced Elvis's daughter, remarried, but drew smaller-than-usual audiences on an international tour.

Heavyweight Tyson, knocked down and killed by the more lightly regarded Evander Holyfield.

IN and OUT:
Gauthier, who in February succeeded Lucien Bouchard as leader of the Bloc Québécois, and in December—still largely unknown—said that he was quitting.

1996 Michaels In and Out

THE YEAR IN REVIEW

A gang of Mikes, winners and losers, struck sparks or flamed out



FROM TOP: MICHAEL JORDAN; MICHAEL JACKSON; JOHN SEBASTIAN; DONOVAN BAILEY; EVANDER HOLYFIELD; MICHEL GAUTHIER

1996
THE YEAR IN REVIEW

The Show Goes On

On stage, screen and playing field, celebrities and celebrations lightened a severe year



The bright lights of showbiz and spectacle sport may wither a budding career; but, for some, the big screen is simply sustenance. Such across the case with Madonna, who dances in the two arenas of entertainment and controversy. Working a child, she arranged it with her physical trainer and mothered Lourdes Macia in October. Seeking new stardom, she was the role as Eva Peron in the movie *Evita*. Long before the film hit the screens at Christmas, the big screen were herding "Evita" into the arms of Madonna. Madonna may not yet have acquired Madonna's longevity in the lights, but she did all right in 1996: a Grammy and five Juno Awards.

Baseball's Roberto Alomar, whose acrobatic play at second base and accomplishments at last won him hero status in Baltimore after stardom in Toronto, found that herding was an unproven skill that gained widespread acclaim. It is something the highly talented Alomar must try to live down. The steady-state New York Yankees managed to lose down a drubbing in the first two games of the 1996 World Series, and go on to beat the Atlanta Braves four straight to clinch their 23rd Series title, the club's first since 1918.





The Show Goes On

The joy of winning has many faces, but few more expressive of jubilation than Donovan Bailey's when he finished the 100m sprint first at the Atlanta Olympics. He made his joyful noise as his eyes caught the timer showing his speed: 9.84 seconds, a world record.

For Toronto Agorists Paul Hewitt and Doug Flutie (No. 2), beating the Edmonton Eskimos to the Canadian Football League title wasn't beating the Grey Cup home-ward—shooting in the snow that last November Sunday in Hamilton.

Allan asked the success of Oscar winners Jason Segel and Nicolas Cage. And Sarah Ferguson, her marriage to Prince Andrew broken and her bank account badly bent, smiled through her troubles at the Toronto launch of her book all about them, *My Story*.



1996 THE YEAR IN REVIEW



A Great Hair Year

Anarchy on top: coiffed, colored or gone

Dennis Rodman is out there all on his own, his rainbow hairwings from punk days adapted to the close-cropped Afro of the 1990s. The defensive specialist with the Chicago Bulls of the National Basketball Association, whose hair wears a different hue with almost every match, has lately augmented his aggressive culture with a transverse costume that favors frilly wedding gowns. But, so far at least, only off the court.

Even in an end-of-millennium decade where anything goes, and fads and fashions shift with the speed of computer chips, there were some noteworthy hair resolutions. Reform party Leader Preston Manning, in an apparent effort to knock off a few of his 54 years, at least gained a lot more bounce out of his new upper cut. Every winner Elaine of the *Sex and the City* TV show Cuba Gooding Jr. had sacrificed her long locks to a job job for reasons disputed by the pro-

gram's fans, that her haircut may have precluded a counterpoint to the main male topic in the episode where Elaine had her hair cut, the vasectomy.

The punk do in one of its myriad forms received a twisted testimonial from British rocker Johnny Rotten during a North American tour of his Sex Pistols group. And her aunt, the upstarting frightstyle of having president Ellen King seemed appropriate to the ring bout of his heavyweight fighter, Mike Tyson.

In other fields of competition, getting an edge by looking different gets short shrift. Instead, senseless seems to make more sense, the hairdo becoming a badge of belonging. As on Canadian TV news programs, where the ubiquitous bangs of network anchor women have rendered them all but indistinguishable to the channel surfer.

But for those who would be as instantly distinctive as a Rodman, there is always the ultimate resort of film star Demi Moore, who offers new hope to the hairless. She gleefully demonstrated that bald can be truly beautiful.





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1996 THE YEAR IN REVIEW



Passages

The year closed out the lives of leaders and entertainers



Canada closed three former provincial premiers on Feb. 18: Ernest Manning, 87, the father of Reform party leader Preston Manning who served as the leader of Alberta and its Social Credit Party from 1960 to 1968, on Oct. 2; Quebec's Robert Bourassa, 90, premier 1970-1974 and 1985-1990, and on Nov. 9, Joe Ghis of Prince Edward Island (1896-1992) at 54. The same disease killed François Mitterrand, president of France from 1981 to 1995, at 73 on Jan. 8. As potent as any professional politician in crazy eyes, Timothy Leary, the defrocked Harvard professor who preached the psychedelic drugs gospel in the 1960s, died at 75 on May 21—

in his sleep, of prostate cancer. Famous 20th-century entertainers who died during the year include jazz singer Ella Fitzgerald, 78, on June 18; Italian screen star Marcello Mastroianni, 75, on Dec. 19, and comedian George Burns, a child of the previous century who was born Nathan Bornbaum on Jan. 20, 1896, at New York City and died on March 9, 1996, in Beverly Hills, Calif.



Maloney's battle

BY JOHN DEMONT

Room 515 of the Quebec Superior Court in Montreal holds 300 people. On Jan. 6, the seats will be filled in what is almost being billed as Canada's civil trial of the century, and under the spotlight will be the plaintiff Brian Maloney, arguably the most well-known leader in Canadian history, fighting for, as he has said, his "good name." Facing off against the former Tory prime minister is the federal government and the RCMP. At stake is a \$50-million demand for damages at issue a letter that pulled no punches. On Sept. 29, 1993, the federal justice department asked the Swiss authorities to help in investigating allegations that Maloney had received kickbacks in the 1980 sale of 34 Airbus Industrie passenger jets to Air Canada. Written in German and signed by justice department senior counsel Kamberg Probst, the letter concluded by declaring: "This investigation is a serious concern to the government of Canada as it involves criminal activity on the part of a former prime minister." Maloney denies the allegations. He says the letter, which was leaked to the media, tattered his reputation—this came out without warning, the Liberal government claims that opposition has no political ally. It may lack the visceral drama of O.J., but hold onto your tobacco in a general election year, the big explosions on the political landscape could occur not on the campaign trail but inside the Montreal courtroom.

The case has multiple layers. On a local level, it is about whether a pair of RCMP officials, Probst and federal Justice Minister Allan Rock, misled Maloney. But that is just window dressing for the real drama: Did the prime minister of Canada, as the RCMP maintains, receive millions in payments? Did Jean Chrétien's government, as Maloney's lawyers will argue, set out to "get their old political chump? Did the Conservative government, as the government lawyers contend, obtain a writout of the letter and leak it to the media in an effort to divert attention from the investigation itself? This country has never seen a trial like this," declares Senan Chetty, a Toronto lawyer and libel specialist. "Most countries haven't seen a trial like this." Another lawyer who is involved in the proceedings puts it this way: "It's the trial of the century—and the very lawyer in the country would have a piece of it." Filled with complicated legal issues, this tale has more shadowy subplots than a John Le Carré novel and enough dark secrets and larger-than-life characters to fuel a season at the Canadian Opera Company (page 78). Out-of-court settlement appears to be out of the question; the plaintiff's outraged, the federal government has assembled a legal "dream team" to marshal its defense. No wonder CBC Tele-

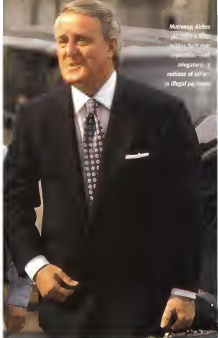
vision is clamoring to bring its cameras into the courtroom for a trial that, by some estimates, could run as long as three months. As one member of the Maloney team puts it: "From the first moment the trial begins—boom—the pendulum will be constant."

The tale goes like this: Somewhere along the line, the RCMP says, they received "reliable information" that Maloney, former Ottawa lobbyist and Newfoundland premier Frank Moores and German Canadian businessman Karlheinz Schreiber received millions of dollars in illegal commissions to facilitate the \$1.8-billion Airbus sale. As part of the investigation, the Mounties had the justice department send the letter to Swiss authorities, asking them to freeze a mysterious bank account belonging to Schreiber and two other accounts "believed to be registered to Moors." According to a confidential source, the letter asserts, the kickbacks passed through three accounts. On Nov. 16, Philip Mathias, a reporter for the Canadian business daily *The Financial Post*, broke the news that the RCMP was investigating Maloney and even quoted from a version of the justice department document. Within hours of the *Post* story, the exposure minister's lawyers announced that Maloney would sue for libel, claiming that the "false and reckless allegations" in the letter caused "serious damage to Mr. Maloney's reputation, professional and other life."

Since then, the Airbus affair has become something of a political blood feud. Justice department spin-meisters have hinted that Maloney was trying to divert justice or have painted the former prime minister as a crisis opportunist. But Maloney partners, who have grown increasingly vocal about what they see as an unfair treatment by a biased media and a vindictive Liberal government, have been effective. "He has the shield of truth," declared Luc Lamoie, Maloney's former chief of staff and now an Ottawa public relations executive hired by the former prime minister. "There have been no kickbacks. There is no foreign bank account. Everything else is bullshit."

Can the exposure minister, now making citations as a gleaming corporate troublemaker for such offenses as Barrick Gold Corp. and Archer-Daniels-Midland Corp., successfully portray himself as a humble private citizen being victimized by a vindictive government? That image may gain credence when his small legal team finally faces off against the massive government side, which has filed Ottawa court: from \$700,000 even before the trial begins. The government may need every edge it can muster. "This is not, by any means, a slam dunk," says one justice department official close to the case who predicts a long courtroom battle.

The plaintiff's legal team will almost certainly press a line of



Maloney, Airbus plaintiff, says justice department letter was "reliable information" that he received millions of dollars in illegal payments.

going criminal investigation into the Airbus affair is not disclosed. So this part of the case could bog down in mounting procedural wrangling. If, however, the government can prove that Maloney or people acting on his behalf leaked the document in *The Financial Post*, Maloney's case would collapse and Ottawa would not have to reveal information about the criminal investigation.

Maloney's lawyers, meanwhile, will also try to pin the blame for a witch hunt on the department of justice. Rock—perhaps even Prime Minister Chrétien—is the Maloney camp's version of events, the justice minister spearheaded the investigation, personally confronting kickback allegations against Maloney from journalists. (Three reporters subpoenaed by the Maloney team: The Globe and Mail's Susan Delcourt, the Ottawa Citizen's Steve Cameron, both now contributing editors to *Maclean's*, deep probing Rock with any Airbus information.) Again according to Maloney supporters, Rock then passed the information on to the Mounties, leaving them to act on what the Maloneyites say was nothing more than unsubstantiated gossip. Furthermore, Maloney's lawyers will argue, the department of justice acted irresponsibly by sending an exposure letter to Swiss authorities that they should have known would somehow leak out, damaging Maloney's reputation.

The justice department, anyway, will have lawyers to circle the wagons. Rock and his officials have been distancing themselves from the Mounties. Rock's office has released letters designed to prove that the justice minister, who will testify at the trial, was the passive recipient of Airbus allegations, simply passed the information on to the RCMP—and left it in their hands. And in court, the department's lawyers, who intend to call to witnesses, will try to show that everything was done by the book. They will argue that the justice department's *Post* was only doing her job when she wrote in Switzerland was sent. Moreover, with 200 similar reports coming from the department each year—one out of which has spilled out into the public domain—they will maintain that the government could not have anticipated a leak. Finally, government lawyers plan to offer their own theory: Maloney's team leaked the offending letter to Mathias as a preemptive strike against the criminal investigation.

Then, the Perry Mason moment, Mathias is sent to the stand. The reporter, subpoenaed by Ottawa, has already said he told Maloney that he had his confidential source in the government. If he refuses to name his sources, he could face a contempt of court charge. And, meanwhile, hanging over the proceedings will be the RCMP's re-emergence: The 1980s-era-old criminal probe of the Airbus allegations. The Mounties refuse to say anything about their progress. Yet the investigation continues—and further fireworks may still be ahead. The country Maloney can be sure, will again be watching. □

high profile post and present policies through the court to test to their chest's character. Maloney's former chief of staff, Norman Specter, has been subpoenaed. Quebec Premier Lucien Bouchard has indicated privately that he will appear if asked. There are even unconfirmed rumors that former U.S. president George Bush and an Israeli prime minister Margaret Thatcher might testify for their old policy ally.

Maloney vehemently maintains that he never took a bribe, or that that matter ever owed a bank account outside of Canada. Which leaves it to the Mounties to prove they had enough hard evidence to warrant sending the now-infamous letter to Switzerland. But RCMP lawyers have already indicated they will use every legal tool at their power to ensure that information that could hurt the Mounties' ca-

public domain—they will maintain that the government could not have anticipated a leak. Finally, government lawyers plan to offer their own theory: Maloney's team leaked the offending letter to Mathias as a preemptive strike against the criminal investigation.

Then, the Perry Mason moment, Mathias is sent to the stand. The reporter, subpoenaed by Ottawa, has already said he told Maloney that he had his confidential source in the government. If he refuses to name his sources, he could face a contempt of court charge. And, meanwhile, hanging over the proceedings will be the RCMP's re-emergence: The 1980s-era-old criminal probe of the Airbus allegations. The Mounties refuse to say anything about their progress. Yet the investigation continues—and further fireworks may still be ahead. The country Maloney can be sure, will again be watching. □

A cast of gilded players

The stage is set for testimony of politicians, power brokers, bureaucrats and journalists



BRIAN MULRONEY The man who led the federal Tories to two overwhelming electoral victories in 1984 and 1988, makes an unlikely plaintiff. But for Mulroney, the stakes are high. The federal justice department has alleged that he pocketed millions in payments arising out of his Canada's 1988 purchase of 34 Airbus Industrie passenger jets. Mulroney vehemently denies the allegations—and is demanding \$200 million in damages, an apology and a federal retraction in the world's 50 biggest newspapers. Mulroney is fighting for his reputation—and is expected to testify on his own behalf.

ALLAN ROCK Mulroney's legal team has set its sights firmly on the justice minister. The big question was he drew the investigation on the basis of unsubstantiated rumors in an effort to discredit an old Liberal party foe?



has denied any involvement in the case, and has said that he simply passed along information from journalists to the RCMP. Rock's testimony could supply some of the trial's most riveting moments—and his political future could hang in the balance.

PHILIP MATHIAS On Nov. 18, 1995 the British-born *Financial Post* reporter broke the story of the justice department letter—and quoted from a version of it. Who leaked the document to him? Ottawa hopes to prove that the source was none other than Mulroney himself, who had received a summary of the document from European sources and wanted to publish it so he could launch a libel action and divert the RCMP investigation. Mathias has strenuously denied that scenario and has indicated that he will continue to refuse to reveal his sources when called to the stand.

LUC LAVOIE The former television reporter has earned a reputation as Mulroney's pit bull. He served as the former prime minister's deputy chief of staff and has continued in his position's duty for Mulroney as his current job is a public relations executive. The federal government has subpoenaed Lavoie and two of his partners at Ottawa-based National Public Relations. At issue: when Lavoie found out about the justice department letter and he told about it. The government will also want to know why, a full day before the *Financial Post* story broke, someone from Lavoie's office inquired about the availability of a meeting room at the Renaissance

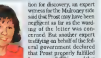
NIMESKY PROST

The justice department source counsel has rocked from news-ministry to court stage. She sent Swiss authorities what is now at the center of Mulroney's libel suit. The Sept. 28, 1995, letter asking for their cooperation is a critical investigation of Mulroney by the RCMP, and alleging that the former prime minister defrauded the government of millions of dollars. During the examination

Hotel in Montreal, where the media conference denouncing the Mulroney lawsuit was held the day after the story appeared, Ottawa has also subpoenaed **Robert Fugère**, the *Benoit* magazine's attorney to testify about who called and when. The implication: Mulroney sides knew in advance that the story was coming—because their camp had leaked the document.

STEVE CAMERON

The author and now a *Maclean's* contributing editor is called "the RCMP witch" by some in the Mulroney camp. Much of that reputation stems from her book, *King 1994*, exposed, *On the Take: Crime, Corruption and Greed in the Mulroney Years*. But the Mulroney camp also claims she gave Rock and the RCMP information that resulted in the criminal investigation. Cameron is likely to have a rough time when she takes the stand for a grilling by the plaintiff's lawyers. But she may also have the last word. Cameron is already at work on a book about Airbus.



for discovery, an expert witness for the Mulroney side said that Prost may have been as much as the wingman of the letter was concerned. But another expert testifying on behalf of the federal government declared that Prost properly fulfilled her responsibilities—and that government-to-government correspondence cannot be used as the basis for a successful lawsuit.

MARY JAMNAN and SUSAN DELACROIX The other two journalists on the Mulroney legal team's list. The question is who said what when. Rock dined with Jamnana, also a *Maclean's* contributing editor, and Delacroix, an Ottawa reporter for *The Globe and Mail*. Mulroney's lawyers will argue that Rock was sitting for dinner on the former Tory prime minister. But, like Cameron, Jamnana and Delacroix deny helping the justice minister and have retained lawyers to represent them at the trial.

GERALD THORNTON and JEAN JEANSONNE

Carrying the bill for the Mulroney offense, Thornton is a senior civil lawyer with the Montreal-based firm of McCarthy Tétrault. Jeansonne has a reputation for being aggressive. Mulroney's advisors also include **Harvey Winick** and **Roger Tassie**, a former federal deputy minister of justice.

INGRID HUBIG During the examination for discovery, the University of Windsor language expert expressed the opinion that the Mulroney lawsuit was a summary of the original justice department letter—rather than the document itself. That is an important part of Ottawa's strategy of attempting to prove that Mulroney or one of his people leaked the document.

PHILIP MURRAY The RCMP commissioner, named as a co-defendant in Mulroney's suit, has insisted that the Mulroney defense succeed on political grounds, but investigated the Airbus case on its own merits. And Murray has said that, if necessary,

HARVEY STROSEBERG, VINCENT O'DONNELL and CLAUDE ARTHUR SHEPPARD

The federal prosecutor's legal drama team. O'Donnell is a smooth, gentlemanly civil lawyer from Montreal. Sheppard lives a more aggressive courtroom manner, and counts several arrests. Dr. Henry Maguire among his past clients.



Strosberg, the strategist

KARLHEINZ SCHREIBER

The portly German-Canadian businessman is unlikely to testify at the trial—but he continues to loom in the background of the Airbus affair. The RCMP alleges that Schreiber worked as a lobbyist for Airbus, received up to \$20 million in commissions through a Liechtenstein shell company, and channeled as much as \$5 million to Mulroney through a Swiss bank account. Schreiber has denied the allegations. But he currently faces difficulties in Germany. In November, 1995, authorities raided his home and office near Munich as part of an investigation into possible tax evasion.

any, RCMP witnesses will invoke the Canada Evidence Act to avoid giving any testimony that could impede the criminal probe. As a result, RCMP staff sergeant **Fraser Fegendahl**, who holds one of the keys to the Airbus saga—what evidence the Mulroney attorney have supporting their allegations—may appear at the trial, but will likely reveal little.

FRANK MOORES The former Newfoundland premier and Mulroney leadership supporter was a prominent Ottawa lobbyist during the "Gulfers" years in power. According to the justice department letter, he was also the go-between used by Schreiber to pay alleged Airbus commissions to Mulroney. Federal lawyers are considering subpoenaing the former backroom operator, who spends his winters in Jupiter, Fla. Moore denies the allegations against him and filed suit against the justice department letter. He was also the go-between used by Schreiber to pay alleged Airbus commissions to Mulroney. Federal lawyers are considering subpoenaing the former backroom operator, who spends his winters in Jupiter, Fla. Moore denies the allegations against him and filed suit against the justice department letter. He was also the go-between used by Schreiber to pay alleged Airbus commissions to Mulroney.

WILLIAM THORNTON A Mulroney confidant, the editor-in-chief of *The Globe and Mail* has written a steady stream of columns and editorials defending the former prime minister against his critics. Thornton has already conceded that Mulroney sent him a summary of the justice department letter. Federal lawyers, who have subpoenaed Thornton, want to know whether he received the document before or after the *Financial Post* story appeared—and what he knows about how the leak occurred.

CYNTHIA REPORTER Rock's youthful chief of staff infuriated Mulroney supporters with public broadcasts

against the former prime minister. Now he has been subpoenaed—along with all relevant documents—so Mulroney's lawyers can grill him about Rock's links to the Airbus investigation.

ANDRÉ BOCHON The Quebec Superior Court judge from St-Jérôme, Que., who is hearing the case, has a reputation for running a tight ship. That could be important in a potentially explosive trial. Although subpoenaed by the Québec government, Bochon has so far allowed most of Mulroney's legal motions, while denying motions put forward by federal lawyers. He has also recently rejected Schreiber's request to have him removed from the case.

GIORGIO PELOSIO Schreiber's former association as important RCMP source in the Mulroney investigation. The Swiss accountant claims to have been present when Schreiber and Moore allegedly spent two Swiss bank accounts in 1985—and says Schreiber told him that he intended to pay secret commissions to Mulroney. There is clearly no love lost between the former business associates—Pelosio, who claims that Schreiber owes him a share of the commissions, is suing him. He is not expected to testify.

EDDIE GOLDENBERG and PETER DONOLO

As two of Christian's closest aides, press secretary Donolo and Goldenberg, the Prime Minister's dominant chief policy adviser, have been subpoenaed by the Mulroney team and asked to bring copies of all correspondence, notes and electronic mail they exchanged with Christian about the Airbus deal. The goal of the Mulroney lawyers seems clear: challenging the government's claim that Liberal cabinet ministers were kept uninformed about the RCMP probe.



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CANADA

In rarified circles

Mulroney's tears gave way to a stern resolve

I had, at least, the veneer of upscale country. On Dec. 15, Brian Mulroney and his family dined up their Foden Crest estate home in the exclusive Montreal enclave of Westmount and slipped away for a secluded two-week holiday at a rented chalet in the Laurentians. So much for the illusion. For one thing, there was the accompanying RCMP bodyguard, a publicly funded protection afforded past prime ministers, if they wish, who are judged by police to be under possible threat. Almost four years after leaving office, Canada's 18th prime minister, covered around the clock at home and abroad, still qualifies. And then there was the rather odd choice of destination—and the reason for it. For winter holidays, the Mulroneys don traditionally grace the south, not north, to the glimmer of private Palm Beach coastlines homes and upscale Florida golf resorts. But this year, with a \$50-million libel suit pending against Ottawa over the Airbus affair, Mulroney remained close to home. "Brian is staying put in Canada," said a Mulroney friend, "and he won't budge for at least three months."

Three months is how long Mulroney figures it will take the Quebec Superior Court in Montreal to grant him personal and political redemption. Well aware that federal defense lawyers will seek to deny him any measure of bitter-sweet revenge, Mulroney has cleared his private agenda—in his ongoing effort to clear his name of allegations that he accepted bribes. Gone, for the moment, are the free-lance business interests of corporate directorships that whisk the workaholic around the world; the speaking engagements since a month that earn him as much as \$45,000 a pop, plus expenses; the reflexive backslapping with high-ranking friends and associates in a lifestyle so lavish that it raises even discreet Westmount eyebrows. Prepared for battle, the 57-year-old former prime minister has come a long way from the days when, according to friends, he was so distraught that he shot himself away for weeks after the Airbus story broke in Nov. 16, 1995. "I saw the man," recalled one confidante, "crying like a baby." Dependency has since solidified into resolve. "He's just like he was in the 1988 election campaign," said another friend. "When things get hot, he turns cold, he's not afraid of anything. He's going to fight hard."

For a 14-year veteran politician from Bill Clinton with a knack for courting controversy, Mulroney in post-political life has

detached himself from daily Canadian affairs with apparent ease. There he was, before Airbus, in February, 1995, dining and browsing in a Palm Beach Palm photo study with Mills and his host, local real-estate millionaire Al Taubman, who celebrated his 70th birthday with "an intimate" meal of 250 friends. Among them were Gordon and Ann Getty, Betty Bloomington, the Aga Khan and designer Oscar de la Renta—all surrounded off from by a 35-member orchestra flown in from Paris. Last January, two months after Airbus, Mulroney had suitably recovered from his dependency to address the Society of the Four Arts in Florida, a last-minute substitute for Watergate scandalist Bob Woodward, flown in back in Washington. And there again were the Mulroneys, as guests on a 10-day cruise of the Mediterranean by private yacht last July on a hunting trip



At Gilson Dore's wedding in 1994, Mulroney, right, and his wife.



WHITE the second film in acclaimed director Krzysztof Kieslowski's trilogy starring Jula Delpy, explores the equality of marriage and the inequality of divorce



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CANADA

with "business association" at a country house outside Madrid in late November; at an opus gala at Place des Arts in Montreal in early December with Paul Desmarais Jr. of Power Corp.

In fact, outside Canada at least, Mulroney's troubles have generated him a certain prestige, an aura of enigmatic noblesse. "It's a bit of a money interruption, isn't it?" sighed an employee of the Washington Speakers Bureau, agents for Mulroney, former British prime minister Margaret Thatcher and former U.S. president George Bush. But old loyalties endure. Before, during, Bush publicly called Mulroney, his former buddy and fellow world leader, "a good friend." After Airbus—the opening last September of a \$100-million Nevada gold mine owned by Barrick Gold Corp.—Bush, still a fishing buddy but now a fellow shareholder of the Barrick board, declared Mulroney "my great, good friend."

At home, the Mulroneys are the objects of curiosity—and at times envy. Neighbors appraised the estimated \$700,000 worth of renovations and the sumptuous furnishings carried into the two-story shore house, bought in April, 1989, for \$857,500. "The windows were top of the line, not even the least bit a regular \$100-a-lin stillhouse would buy," said one neighbor. "We're talking about big bucks." Next year, only one of the Mulroneys's four children, 11-year-old Nicolas, will be at home. Daughter Caroline, a Harvard honors graduate, is an analyst for a Wall Street merchant bank; Ben is in his final year at Duke University in Durham, N.C.; in early December, Mark wrote his entrance essays to Boston College.

While no one will say how much Mulroney earns, the style of the close-knit family is obvious. Mils, "thick as a ruler and gorgeous" at the Mount Royal Tennis Club, carrying heads "in a very smart instant dress," according to another member; Mulroney and his youngest son Nicolas, a budding hockey star in Veritas, sitting in the reds of the Mulson Centre, Brian and Mils, the honorary director of the national Cystic Fibrosis Foundation, sit at awards dinner at the Quebec Chapter last spring at which Mulroney announced, at evening's end, a personal donation of \$85,000.

The obvious pleasure Mulroney gleams from his rarefied social circle belies how hard he works to play "Duke on a board, he not only attends but carves himself an eminent role," said Tory Senator Michel Cormier, a longtime friend and, along with former appointee's secretary Geraldine Marjory Lefebvre, one of the few Ottawa contacts Mulroney has maintained. The corporate boards Mulroney chose after leaving politics are as high profile as they are powerful. Power Corp. put him on its international advisory board; Peter Mark made him chairman of the international advisory board of Toronto-based Barrick. As

a board member, Mulroney also opined down for Petrobras SA, the Belgian multinational conglomerate, as well as the Chase Manhattan Bank in New York, and troubleshooted for Archer-Daniels-Midland Corp., the Decatur, Ill., corn and soybean giant that, on Mulroney's advice, reached an agreement with the U.S. justice department last October on price-fixing. In fact, some analysts credit Mulroney with restoring Archer-Daniels-Midland, which paid a fine of \$100 million, from an intractable mess.

Side firing: frequent flyer, Mulroney on route hugs a brief case crisscrossed with a cellular phone, an ancient radio with a dial (has been bought him a digital shortwave radio but he couldn't figure out how to use it), three reading books (three pairs of gloves and business papers). But is the man who spent the better part of his life mapping his course to Ottawa now content to watch politics pass him by? Friends say Mulroney glooms over Jean Chrétien's GST woes, takes pride in the success of free trade and sometimes rants about his failure to unify the country "that he really has stepped away from the political scene," said Lefebvre. "He'll call and ask what's going on, and I'll say, 'You don't really want to know.' There's just so much noise for him out there."

E. KAYE FULTON in Ottawa with **BRENDAN BRANFILL** in Montreal



At Thatcher's 70th birthday party, at times the object of envy



RED the third film in acclaimed director Krzysztof Kieslowski's trilogy starring Irene Jacob, examines the interconnection and fragility that exist even among strangers.

Sunday January 5 at 11pm.

SHOW
CLASSE

A loner accused

Island police arrest a bombing suspect

Dressed and living by himself in a dark Charlottetown apartment complex for the past 10 years, Roger Bell did not go out of his way to meet people. "He didn't say as much as he talked," said John Aker, Bell's next-door neighbor. Former colleagues and students described the retired high-school chemistry teacher as intelligent—but withdrawn. "My impression was all positive," said Blufffield high-school principal Eugene Murphy, who worked with Bell for 24 years at both Blufffield and Englewood Regional high school. "He kept to himself and he had a 'Former student' Stephen Howatt said each time. "He was quiet, but not to a shy kind of



Bell (seated) with police; a man-door neighbor recalled, 'he didn't say as much as he talked'

ing," Howatt recalled. "He just kept to himself." That private world was shattered on Dec. 26, when the small-framed, balding 50-year-old was arrested by the RCMP and Charlottetown police—and accused of being the notoriety Prince Edward Island bomber. Bell now faces charges of planting three pipe bombs on the Island. An explosion outside the provincial Supreme Court Building in October, 1986, caused extensive damage to

the law building but no injuries—and shattered PEI's normally tranquil life. A second blast occurred outside the provincial legislature on April 26, 1985, with flying debris demolishing the table of a man sitting on a nearby park bench. In June, police found a third pipe bomb at a private taxi storage port at which they received a warning letter from a mysterious group calling itself L-17, which had claimed responsibility for the other two bombings. The bomb blew up without injuring anyone while it was being disassembled.

Police arrested Bell following a search of his apartment, which is within walking distance of all three bomb sites. As a news caption on the day after the arrest, Charlottetown police Const. Richard Collins said that Bell aroused interest after the 1986 bombing—both he was one of many. The lead narrowed after city police and the RCMP launched a joint task force in July. Police, however, have refused to reveal any evidence, and would not say why they placed Bell under 24-hour surveillance in August.

Courthouse security was tight on Dec. 19 when Bell was remanded into custody until his next scheduled appearance on Jan. 9. Bell said he intends to represent himself and asked the court to have a private investigator for him and assign a lawyer to represent him. "I need the need of a legal assistant who can instruct me in the technicalities of the law and judicial proceedings," he said. Bell, who occasionally referred to himself as "the accused," asked that he be released on his own recognizance, but his request was denied. A court order was requested by Crown Attorney David Cowie presents publication of any evidence presented at the hearing. But Bell refused the imposition of the bail, saying that he is "interested in justice being seen to be done." That will have to wait until the new year. In the meantime, Bell will spend his holidays behind bars.

BOB HENDER in Charlottetown

Canada NOTES

FETAL PROTECTION

A gun-wielding, 32-year-old Winnipeg woman who had twice before delivered babies without her husband gave birth to a boy. It will take years to determine whether the child is healthy. In August, a judge ordered the woman into rehabilitation to protect the unborn child. Although that judgment was confirmed, the Supreme Court of Canada will review in the spring the issue of fetal protection.

WHITE DEATH

A probe day in British Columbia's mountains ended in a sudden avalanche that killed three European skiers. Mike Jakobsson of Tyne Hill Skiing was near tears as he described how one minute he was leading 11 delighted skiers through the Whistler area of a range three kilometers from the Blackcomb-Whistler ski area, and the next he was frantically digging for survivors.

SAME-SEX RULING

The Ontario Court of Appeal ruled that a lesbian, known only as M, can sue her ex-partner, H, much as a homophile can sue a breaching ex-husband. M said she was financially dependent on H. But H said Ontario's Family Law Act defines couples as a man and a woman. That view contradicts the Charter of Rights, the court said in its 3-to-1 upholding of a lower court judgment.

KLEIN CLEARED

For the second time in two years, Alberta's chief commissioner has cleared Premier Ralph Klein of conflict of interest allegations involving Meco Corp., a Calgary-based software company. Lionel Frank Straker claimed that Klein was improperly promoting Meco-Corp. during a trade mission to Hong Kong and China in 1994 while his wife and economics held tens of thousands of shares in the firm.

GETTING BIGGER

Municipal Affairs Minister Al Leach of Ontario introduced legislation to merge Toronto and the five municipalities around it into a single metropolitan. The old city boundaries of Toronto, North York, Scarborough, Etobicoke, York and East York would merge into a new City of Toronto. Mayors of the municipalities are vehemently opposed to the plan.

Stepping into the breach

The race to succeed Bledsoe Quebec's leader Michel Gauthier began in earnest with MP Gilles Duceppe's announcement that he will run for the party leadership. "The Bloc is an essential political tool for the defence of Quebec's interests," Duceppe said. The former Bloc whip is widely viewed as the front-runner, although former Parti Quebecois cabinet minister Yves Duhaime, who was the first to declare, is also a contender. Lagging behind is former Union Nationale leader Jacques Bérubé, who has been out of politics for more than 10 years. Gauthier's announcement on Dec. 2 that he will step down in March also fuelled speculation that former Quebec premier Jacques Parizeau could be elected to Ottawa. But last week, after touting with the idea, Parizeau announced in an open letter that he would not run.

In the process, Parizeau also started a few shots at Premier Lucien Bouchard, accusing the former BQ leader of being soft on Quebec independence. "You don't sell sovereignty by selling it," Parizeau wrote. Parizeau's comments came on the same day as a poll by Groupe Léves & Léves showed that in early December the popularity of Bouchard's gov-



Duceppe, 'the Bloc is essential for Quebec'

ernment had fallen to 41.4 per cent from 48.1 per cent in November—a drop largely attributed to the PQ's economic austerity drive. As an added headache, Statistics Canada announced that Quebec led five provinces that post a surplus in the number of residents leaving for other parts of the country. The net loss for the province, 5,723 people, "I don't know if this migration is about confidence in Quebec or on the government, or if some people are trying to get jobs elsewhere," Bouchard said. "But obviously it is not something we like."

The physicians' revolt

Ontario's doctors got what they wanted, but in Quebec physicians still have a fight on their hands. Last week, the Ontario Medical Association recommended that its 25,000 members accept a deal struck with the province. The settlement allowed a number of job actions aimed at getting the Conservative government to back down on a salary clawback. The tentative deal, to be voted on by telephone between Jan. 3 and 5, reduces that clawback from 10 per cent to 2.9, retroactive to Nov. 1, and increases the billing cap for family physicians and specialists. The agreement imposes self-payments on new doctors who want to practice in well-served areas like Toronto, Ottawa and Kingston, dropping them up to 30 per cent of their billing fees. Those penalties are meant to encourage young doctors to move to underserved rural and northern areas. In Quebec, meanwhile, physicians staged a one-day strike session that forced thousands of patients to schedule appointments and elective surgery. Essential services such as emergency wards remained open to about 5,500 doctors met in Montreal and awarded 1,500 opt in Quebec City to discuss options for what further actions they might take. The doctors were protesting a six-per-cent salary cut imposed by the Parti Quebecois government. The cut is to last from starting Jan. 1.

MACLEANS/DECEMBER 30, 1994/JANUARY 6, 1995 63

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Terror in Lima

Canada's envoy helps mediate a hostage crisis

Luce Vincent thought she was going to be like her husband, Anthony, Canada's ambassador to Peru, were attending a party at the Japanese ambassador's residence in Lima to celebrate the birthday of Emperor Akihito. "We were in the garden," Luce Vincent later recalled. "I was talking to some lady and my husband was talking to a business contact." Suddenly, a bomb blew a hole through the back of the building. Instantly, white-clad waiters, who moments earlier had been pouring champagne, pulled out automatic weapons hidden in large flower arrangements. Armed guerrillas of the secretive Tupac Amaru Revolutionary Movement, hoisted through the breached wall, "Kerry your heads down," they commanded, "we will leave them all."

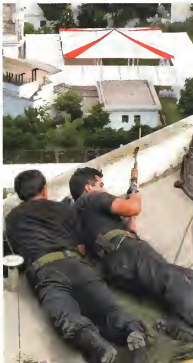
Luce Vincent glanced over at her husband and dove for cover. For the next 40 minutes, the guerrillas and police battled for control of the building. "We were all praying," said Vincent. "When you hear all that shooting, you think disaster, that's the end."

When the firing stopped, the guerrillas had seized the building and were holding more than 450 people hostage—including the Vincents and three other Canadians. The VIP guest list had included nearly every ambassador in the city as well as most of its business elite, the U.S. envoy had just left. Dressed with ammunition and carrying handguns filled with grenades, the hard-core guerrillas were calmly announced that all the women would be released. Hours later, Luce Vincent left with about 80 other women. Then the next day her husband, still dressed neatly in a dark suit and white shirt, walked out of the compound with the ambassadors of Greece and Germany and a Peruvian envoy. "We have been freed to see you as a contact and bridge with the Peruvian government," Anthony Vincent told waiting reporters.

And there was a terrible word hanging overhead: the rebels had also freed the ambassadors to negotiate the release of 300 of their members being held prisoner or they would start killing their hostages.

"It's an extreme message," Tupac leader Commander Lora told *America's* correspondent Selby Bowers, who was at the party and later set free. "It's the only way to press for the release of our leaders."

Two days later, on Dec. 30, the rebels let another 58 hostages go, leaving 346 captives in the embassy,



but they still vowed to carry out their threat. The remaining hostages, meanwhile, complained that conditions inside had worsened, with power and water having been cut off.

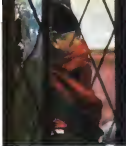
Vincent quickly assessed a key risk: the drama—one of the largest hostage takings in history. The 57-year-old veteran diplomat, who is described by colleagues in the foreign affairs department as cool and unfappable, headed the department's security division from 1986 to 1989, dealing at times with terrorist issues. But nothing could have prepared him for his encounter with the Tupac rebels. The desperate guerrillas wanted five fellow rebels not only released from prison but transferred to a jungle hideout in a remote part of the country. They also demanded that Peruvian President Alberto Fujimori, who was, in second place after Japanese Emperor, and that to the language, cut his administration's ties with Japan. Commander Lora told *America's* "This protest against the constant interference of the Japanese government, supporting the neoliberal economic policies and the violation of human rights laws."

With the world's attention riveted on Lima, on Dec. 29 Vincent met with Peru's mediator, Education Minister Domingo Palomares Góngora, and then returned to the Japanese compound where he discussed the government's response with the rebels. Lima, he was careful not to divulge either the government's message or the guerrillas' reply. "Discussions were cordial, the hostages were in good condition," said Vincent. "Both the hostages and their captors [had] behaved with restraint."

For nearly 30 years, the Peruvians army fought a running battle with both the Maoist Tupac Amaru, which is named after an 18th-century native who led an uprising against the Spanish, and the larger Maoist Shining Path guerrillas. Nearly 30,000 people died in the struggle. But following his surprise victory in presidential election in 1995, Fujimori moved quickly to clean up government corruption and break the back of the terrorist movement. Backed by the army, he fired more than 100 judges and seized nonvoting political powers for himself and the military.

By 1993, thousands of rebels had been imprisoned, including Manuel Gamarra, the revolutionary guru who headed the Shining Path fighters, and Victor Polay, leader of the Tupac guerrillas. With terrorism seemingly under control, Peru's shattered economy began slowly to improve, helped by Japanese investment. Fujimori swept to power again in 1995, but last week's violence plunged the country back into uncertainty. As political columnist Manuel D'Onofrio put it, "We have returned to being a country subject to terror."

The Tupac, and also trapped Fujimori between hardline supporters who did not want him to give in, and others who wanted to see him by negotiating a deal. The United States, which argued that any concessions would be a mistake, dispatched a team of security experts to Lima on Dec. 18. Canadian Foreign Affairs Minister Lloyd Axworthy backed the tough U.S. stance. "To give in to those



Tupac guerrillas at an embassy window; Vincent meets captives (below); cool and unfappable



are nailed in place," said Axworthy "simply increases the problem."

"The Japanese, however, were more flexible. Of the more than 400 hostages, 128 were Japanese. Peru also has the second-largest Japanese community in South America, after Brazil. In an atmosphere of growing concern, Japanese Prime Minister Ryutaro Hashimoto sent his foreign minister, Taro Aso, to Lima and made it clear that Aso's mission was to save lives.

There was also growing anger in Tokyo over lax security at the embassy before Fujimori's crackdown, the Japanese compound was one of the most secure buildings in Lima. The ambassador had feared an assault from the guerrillas, who charged Peru's Japanese community was trying to take over the country. "An attack should have been predictable," said an editorial in the Tokyo newspaper *Sankei Shimbun*, "given the relationship between Fujimori and Japan."

As the negotiations continued on the pre-Christmas weekend, Vincent said the mood inside the compound was calm. The Canadians held hostage were Andre Deschamps, 55, a *Roll*, Que., active working as a consultant on poverty with the Canadian International Development Agency; Robert Zandera, 56, formerly of Ottawa and director of the International Relations Policy Research Centre, and Robert McNeill, of Vancouver, B.C., an employee of the Vancouver-based mining company Cominco Ltd. who was working in the country. Meanwhile, their relatives waited anxiously for word from Lima. "We

are nailed in place," said Deschamps' brother Pierre in Hull. "By God could we win this type of affair."

The crisis put the spotlight on British-born Vincent, who is so

stranger to controversy. He placed what was then the department of external affairs in 1989 and later served as high commissioner to Bangladesh and ambassador to Burma before taking over the department security division while between postings. His former neighbors in the Manor Park area of Ottawa, where he was once chairman of the community association, were not surprised to learn that Vincent was looking to immigrate and to the degree. "When there wasn't a consensus at our meetings," said Luce Vincent, who served with him, "he could always bring one about."

Vincent has been involved in international intrigue before. In 1991, he was summoned in the case of Muhammad al-Mashat, a former Iraqi ambassador who tried to defect to Canada following the Gulf War. When Mashat was discovered living in Vancouver, the Canadian government blamed Vincent for supposedly bungling the case. Vincent then spent two years in language studies, a kind of forced limbo. But when the Liberals were elected in 1993, Vincent was rehabilitated and given the tough assignment to Lima.

TOM FENNELLS with SALLY ROBERTS in Lima and LUCIE FISHER in Ottawa



The compound of Norye Alaga in Chechnya: an eerie shelter for those fleeing

WORLD ■ RUSSIA

Cold-blooded murder

A Canadian nurse dies in an attack on the Red Cross

As the medical administrator of a Red Cross field hospital in war-torn Chechnya, Canadian nurse Nancy Malloy did a little bit of everything. One of her jobs was to ensure that the hospital did not run short of drugs or other medical supplies. But she was also responsible for a host of other services. If a visitor needed a room for the night or clean, mended sheets, Malloy was the person to see. A tall 51-year-old with a toothy, engaging grin, a deep voice and a crew of grey hair, she would stroll the compound in her blue jeans, handing out assignments to local staffers, landmines and cleaners. Her mounds were punctuated by Chechens calling her name, trying to get her attention. "I don't speak Russian, or Chechen for that matter, and they don't speak English," she said. "But usually we manage to understand each other."

And when she sat down with a *Moscow* correspondent in Chechnya in late October, she was typically upbeat about her six years of teaching in the world's trouble spots with the International Committee of the Red Cross—including Zaire, Ethiopia, Kuwait and Bosnia, before the breakaway Russian republic. "I've had a good life," said Malloy. "I like to help people and I've been able to see many parts of the world with someone else paying the travel bills." Even the job's dangers sat lightly. "Here, as well as those places, you quickly get used to seeing people with guns all the time," she said.

But last week, the guns came for her. In the worst single attack on Red Cross workers in the organization's 130-year history, Malloy and five others at the hospital were murdered in their beds by masked gunmen. The killings were cold-blooded, professional and

clearly designed to have a disruptive political effect. At 3 a.m. on Dec. 17, at least five intruders, their faces hidden by balaclavas and their automatic weapons equipped with silencers, broke into the highly guarded hospital compound in Norye Alaga, a village 20 km south of Grozny, the Chechen capital. Ignoring the main building housing 35 patients, they moved directly to the two-story brick sleeping quarters for 20 expatriate workers. There, they entered the doors and entered rooms that were unlocked. They managed to shoot five women and a man at point-blank range before a compressed-gas guard discovered their presence and fired shots into the air. At that, the killers broke off the attack and fled. They had aimed their shots at the heads of their victims; they did not bother stealing money, personal property or drugs from the hospital. "It was an assassination," said ICRC official Thierry Meyrue in Moscow.

In Canada and around the world, affidavits and ordinary people expressed grief and outrage at the deaths. "Nancy Malloy died a hero," said Prime Minister Jean Chrétien. Malloy's close friend and colleague, B.C. Red Cross official Jane Fairbanks, described the attack as "a blow to the heart of Chechnya and the world." It "is just a horrible disregard for our role in the world and the work that our colleagues do," she said. "It has had a tremendous impact on everyone. It is just beyond belief."

Reflecting the international scope of the organization, the victims had come from a variety of countries to work in the new hospital. The head nurse from Spain, two nurses from Norway, another nurse from New Zealand and a construction technician from the Netherlands died along with Malloy. The hospital's Swiss administrator

was wounded by a bullet wound to the shoulder by lightning bolts. Malloy, a Brockville, Ont., native who moved to Vancouver in 1979, was the first Canadian Red Cross worker to be murdered abroad. Chris Gerasim, a Canadian doctor who helped set up the hospital three months ago, left Norye Alaga shortly before the shooting occurred. But he had the grim task of putting the bodies of his colleagues on a flight to ICRC headquarters in Geneva last week. "This was one of the worst experiences of my life," said Gerasim, 43, a war surgeon dedicated to helping the injured and wounded of the Third World.

In the wake of the murders, the Red Cross began evacuating 70 employees from Chechnya, including four Canadians. Other international aid agencies followed suit, pulling out of an area devastated by a 25-month war between Chechen separatists and Russian forces that killed more than 40,000 people. A tragic calm had endured since August, when a peace pact left rebel forces controlling most of the oil-rich region. But with Moscow's control diminishing as it withdrew the last of its dedicated soldiers, the killings cast a pall over crucial and controversial elections to choose Chechnya's leadership in January.

Both sides traded accusations about the killers' identities and motives. Russians speculated that Chechen fighters who were unusu-

ally began treating patients B.C. Red Cross Fairbanks, who helped arrange the posting, remembers that Malloy was a bit fearful before leaving. "As she said herself, she would be scared not to be afraid," said Fairbanks. "Knowing how to take care of yourself is knowing when you are in danger." Shortly after she arrived, Malloy was asked to encounter a group of armed Chechen fighters in the courtyard of the former girls' school, despite a wall of Red Cross posters bearing weapons in the name of medical neutrality. Gerasim intervened, and the fighters quietly deposited their Kalashnikov assault rifles outside the gates.

Malloy managed to pick about the incident. But the tension of living and working in a land where law grew out of the barrel of a gun was never far away. "I don't smoke at home in Canada," Malloy said in October. "I'm also many people serving with the ICRC—I smoke on occasion to soothe my nerves." There were plenty of sources of stress, including the occasional sound of gunfire in the night and some Muslim fundamentalist threats over Christian symbols (resolved by removing some of the red crosses).

But instead of grumbling about the cramped living quarters, cold rooms and badly cooked food that were characteristic of a hospital expanding to care for 200 patients, Malloy concentrated on her tasks



Malloy, mourning the dead on the terrace in Grozny. You quickly get used to seeing people with guns.



essential in meeting posts in the region's new political order. The night he was killed, the members of the rebel militia were the Chechen leadership," said Ryszard Laskowski, the Russian interior ministry's deputy director. "It shows that terrorism in Chechnya is a widespread means of dealing with conflict." Chechnya, meanwhile, pointed the finger at the Russian secret services, alleging that the killings were intended to frighten Russian observers into staying away from the January elections. By week's end, no one had claimed responsibility for the attack, but Chechen authorities said they had detained suspects.

Whoever was behind it, the sad fact was that the attack accomplished something the war never did: forcing out relief organizations that provided aid ranging from medicine to food to sewer repairs. They leave behind a shattered republic that is unprepared for water and critically short of such basic requirements as clean water, heat, electricity and medicine. The withdrawal is heavily felt in Norye Alaga, a town whose population has been doubled to 38,000 by an influx of refugees from Grozny and the surrounding area. It was there on Sept. 2 that the Red Cross opened a hospital dedicated to treating the war-wounded—soldiers from both sides as well as injured civilians. Now, with local staff going for the patients in the wake of the Red Cross withdrawal, the future of the best-equipped hospital in Chechnya is in doubt.

Malloy arrived in Norye Alaga only two weeks after the hospital

that were among night. "We now have hot showers and indoor toilets," she said. "And we just had a great birthday party with cake, champagne and candles on the table for one of our staff members. One thing about the ICRC—a great good party."

Malloy's friends remember her for her cheery sense of humor, her flamboyant, chunky-jewelry style of dress, her attention to detail on the job—and her shining love of animals. Her two cats back in Vancouver, says Fairbanks, "were like her children." One disappeared last year and the second, a first husband named O'Reilly, took a turn for the worse shortly after her murder and had to be put down. "Somehow I thought that was OK," said Fairbanks, her eyes welling with tears. "Because Nancy's first concern would be for O'Reilly—that he'd be too old and too sick for anyone else to take care of. As it turned out, he survived her by only a few hours."

Kate Gales, another close colleague in the B.C. Red Cross, remembers her fond as an "up" person. "All of people go through life not knowing what they want to do and not knowing what they are doing," she said. "Nancy enjoyed what she was doing. She was dedicated to it. And when she was there, she did an excellent job." But in the end, none of those qualities could save her. A woman who had gone to Chechnya to make life better for others died at the hands of someone intent on making life worse.

MALCOLM GRAY in Moscow with SCOTT STEELE in Vancouver

Bay Street bonanza

Million-dollar bonus cheques are no longer a rarity

BY JENNIFER WELLS

There was no phone rattle in the investment business, for one of the big bank brokers that this year are raking up record profits. He makes a lot of money. He will not say how much. But the money man—the money presented in the business in which he works—has got him thinking. “Our industry is grossly overpaid,” he says. “Spectacularly overpaid.” This strikes him particularly when he talks to friends who work in what he calls the “real world,” as opposed to his world, the one driven by what he calls financial asset inflation. The last time he fussed up about his compensation to a longtime friend, he self-consciously topped 40 per cent off the figure. The friend was nevertheless upstaged at the huge sum, so he has not said a word on the subject since. Others can no longer hide. Since 1989, the top five earners in publicly traded companies have been compelled by Ontario securities law to report their individual compensation. “I wonder if it does the public any good to know,” muses the retired food manager. “Maybe it just breeds greater discontent.”

Maybe so. In mid-December, the Canadian Imperial Bank of Commerce released its management proxy circular, in which it disclosed that John Hinkin, president of CIBC Wood Gundy, the bank's investment dealer, took home \$4.9 million. All but \$300,000 of that was paid out in the form of a bonus. The bonus pool is drawn from Gundy's pre-tax profits, which last year reached \$58.8 million, more than double those of the previous year. There are few other specifics. Hinkin's bonus was officially awarded at management's discretion. It is impossible to see what specific contributions were made to justify the bonanza of the pay pail. It has arguably been a spectacular year for Bay Street. From mergers and acquisitions to initial public offerings and plain-old equity deals, market players are experiencing their latest revenue year ever and very likely a record year for profits, too.

But Hinkin's reward was not record-breaking. Two years ago, Lawrence Bloomberg, head of securities firm First Manhattan Group, took home \$6.0 million. This year, Bruce Bink, chairman of the bank of Montreal's investment banking division, Nesbitt Burns Inc., received \$2 million in salary and bonus. Richard Thomson, CEO of Toronto-Dominion Bank, took home a relatively modest \$2.8 million. But Bay Street is now eagerly awaiting the release of performance rewards from RBC Dominion Securities in January to see whether anybody will top them. What will not be disclosed are the actions of management types—the hot young traders, for example, who receive seven-figure bonuses with which to purchase the latest model Porsche.

The whopping rewards to service elites to emphasize the growing financial disparity between those who are on top and those who are not. A common Bay Street defence is to compare compensation levels in Canada to those in the United States, where the pay has always been much higher. Take Madison Stoker. In 1995, chairman Richard Fisher and president John Mac, each took home bonuses in excess of \$5.4 million, an top all-million-dollar salaries and stock worth a couple of million dollars. Given that 1996 has been much better year, the top brass will surely receive multiples of last year's rewards.



BRIAN STECK
CHAIRMAN, NESBITT BURNS INC.
\$3 MILLION



JOHN HINKIN
PRESIDENT, CIBC WOOD GUNDY
\$4.9 MILLION



RICHARD THOMSON
CEO, TORONTO-DOMINION BANK
\$2.8 MILLION

The second line of defence is that these pools of compensation are variable, that the pay packets will wither in bad years and that big cheques are the just reward of the entrepreneurs and risk takers. “If you're not working in the results world, you're not going to get paid in the results world,” says a Bay Street broker seen closely.

But by definition every job creates some “results.” The difficulty, says Brian Gerard, a compensation specialist at Hay Management Consultants in Toronto, is fixing the “line of sight” between employee and their corporation's objectives. But Gerard says it is being done. She recently advised a company whose employees could not equate their particular job with the profits of the company. “Individ-

uals couldn't see how their performance was linked to profit objectives,” she says. So Gerard changed the plan, linking bonuses to such performance measures as speed to market, price and quality.

Such corporate plans are, says Gerard, seeing a growth explosion. It is still hardest, she says, to make the connection between performance and variable compensation for those employees at the lower levels. Companies that do reward employees in this way will generally pay a year-end topup of about five per cent of salary, Gerard says.

They do this at the banks. At the CIBC, for example, the company has what it calls the TEAM Dollars Plan, which applies to all bank employees, including executives. The rewards are based on two objectives, the first being the bank posting its own return-on-equity target, the second being an assessment of the employee's performance. According to the bank, when employees see their incentive

options are exercisable when the company's shares trade at \$10 (U.S.) or more for five consecutive business days (Chinese shares in late December were trading in the mid-60s). “There is really a link between your own individual performance and the performance of Chase as a whole,” said Chase CEO Walter Shipley. “The more successful you become in serving our customers and supporting your colleagues, the more successful Chase becomes financially.”

The Chase example is notable for its equitable distribution, all the more key when salary increases have been negligible. The lack of equity in most incentive plans of major Canadian clients is another trademark by the Hay Group. In the industrial sector, probably 100 per cent of top executives participate in short-term incentive plans. That number falls to 50 per cent for senior managers, 70 per cent for middle managers, and a mere 40 per cent at the clerical and technical level. The big banks appear to have done better than that. The Bank of Montreal currently extends its incentive plan to 65 per cent of its employees and will extend it to all employees next year. The bank will not say what level of bonuses workers can hope to see an average in their pay packages this year.

“Bonuses” is a misnomer. And almost tautologous. Brian Gerard thinks that's probably a good thing. “Pay incentives instead to providing performance goals eliminates the vagaries of executive largesse, the ‘let's be nice and give people a bonus’ attitude,” says Gary MacDonald, vice-president of marketing for Kingston Technology Co. agrees. “Most companies tend to rethink their commitment when their profit number gets to be a big number.”

Kingston, by contrast, has never backed down on its generosity to employees. Up until last month, few in this country had heard of Kingston, which makes its home in Folsom Valley, Calif. Kingston makes computer memory modules, and has been in business for 18 years. Founded by John Tu and David San, the company has always proclaimed its devotion to people first, products second and profits third. Employees have always received a distribution of five per cent of pre-tax profits, quarterly. The employee turnover rate is less than one per cent. Every year, six identified candidates with 30-to-60 weeks, every Tu and San.

The founders' philosophy has been to share a percentage of the wealth, as much as the wealth gets. Last month, it got very big. Tu and San sold control of the company. Of the sale price, \$135 million is being divided up among the company's 532 employees, who will be raised on performance and years of service. The average salary at Kingston is \$75,000. In late December, MacDonald was working with the bosses. Reassuring the rewards. Good employees who have been with the company for five years will do very well, says MacDonald. When the cheques are handed out on Dec. 30, those workers could collect as much as \$300,000 apiece. Now that's a bonus. □



Finishing the first bar at Brewery Creek; bottom right: 'a good size'

BUSINESS

Yukon alchemy

A mine raises environmental concerns

In a large, corrugated-steel plant near the historic mining town of Dawson City, Yukon, First Success paces back and forth like an expectant father in a hospital waiting room. Nearly two men in flame-resistant suits tend a propane furnace that is about to produce \$400,000 worth of gold—the first payoff! Sackin's company, Vancouver-based Viceroy Resources Corp., has been since it began operating in the Brewery Creek mine in 1990. Finally, a flowing trail of liquid gold shoots into a mould, which is then immersed in water to cool. A look of sheer delight washes across Sackin's face as he produces a cooling of black sludge from the sludge-filled block of metal, hold it onto a scale and pronounce it as 800-ounce bar of 99.999 per cent gold. "This one's a good size, isn't it?" Sackin says proudly while Viceroy's employees and investors line up to have their pictures taken with the gleaming new bar.

Although the applicants from the round of spectacular mining deals during last month's gold-pouring ceremony at Brewery Creek, set every body in the region is nodding with their heads, in fact, are deeply concerned. Over the next eight years—during which the project is expected to generate another 1,900 bars, worth an estimated \$400 million at today's prices—the mine will be closely watched by environmentalists and mining engineers alike. The reason, Brewery Creek is Canada's first large-scale heap-

leach gold mining operation, and the first in the world to be tried under the extreme winter conditions of the Yukon Territory. In an attempt to leach out 800,000 ounces of gold between now and 2004, Sackin's company plans to soak 18 million tons of ore in a cyanide solution that, if accidentally released into the local water supply, could cause serious environmental damage.

In 1994, after two years of reports, studies and hearings on the mine's environmental impact, the department of Indian Affairs and Northern Development gave the project its final approval. However, some federal officials still have reservations about the facility. "One thing that we saw as an environmental red flag is that it's never been tried before in this North," says Eric Seppach, a political scientist with Environment Canada in Whitehorse who took part in the Brewery Creek approval process. "One of the things that concerns us is the winter conditions. It remains to be seen whether it can work here."

Heap-leaching dates back to the 1970s when it was first used in Nevada to retrieve gold from low-grade deposits via exposure to mine by conventional means. The process involves piling tons of gold-laced ore onto a

synthetically lined outdoor pad—in the case of Brewery Creek, the size of 20 football fields—and then spraying it with a cyanide solution. As the solution filters through the ore, it dissolves the gold, which is then funnelled into a recovery plant where it is solidified into gold bars. Using the technique, companies can economically extract less than a gram of gold from a ton of ore.

Over the past 20 years, heap-leach mining has become a popular method of extraction in the United States, particularly in the southwest. In Canada, however, the process has been attempted in only a handful of cases, and never on the scale of Brewery Creek. New Brunswick's Cape Sable Mine, for instance, used the technique in a short-lived initiative that leached gold from less than 750,000 tons of ore during the late 1980s. Newfoundland's Slope Brook Mine also experimented with the process during that period, but abandoned it on the grounds that winter weather conditions made it too expensive.

It is still unclear whether heap-leach technology can succeed in extremely cold climates. In the late 1980s, a series of weather-related miscalculations created an environmental disaster at the Summitville gold mine in the San Juan mountains of Colorado. At Summitville, a project by Robert Friedland's Galicite Resources Inc. of Vancouver, the heap-leach pad liner cracked, causing the cyanide solution to leak into nearby water streams. The disaster also failed to take into account heavy snowfalls in the area, forcing the mine to discharge acid into the adjacent river system. When Galicite declared bankruptcy in 1990, the U.S. Environmental Protection Agency was left with a clean-up bill estimated at \$350 million.

"There's always a danger when a technology that was developed for the deserts of the southwestern United States is transplanted to other climates," says Bob Wallace, a mine-water expert in the EPA's Denver office, which is in charge of the Summitville cleanup. "We've had lots of problems as a result. It's always something to question and look at."

Heap-leaching requires a constant flow of chemical solutions, so the most obvious challenge is to keep them from freezing. At Brewery Creek, a four-metre layer of ore keeps the leach pad and the solution from freezing. To ensure that freezing doesn't occur below these four metres, the solutions are heated before they are mixed with the ore. According to the company, the design will

ensure that the chemicals exposure to flow even if, as occasionally happens, the temperature drops to -60°C.

What concerns the EPA, however, is the added costs associated with these cold-weather precautions. "What happened at Summitville was that it was an expensive way to run their normal mining operation," says Eleanor Dwight, senior EPA official. "Then the price of gold dropped a little and the company bailed out."

Adding to the concern is the location of Viceroy's Yukon operation. A nearby creek flows into the Klondike River, which is home to a thriving fish population and provides the 2,500 residents of Dawson City with their drinking water.

Sackin, Viceroy's president and chief operating officer, maintains that Viceroy is an environmentally responsible, financially secure company. Its Castle Mountain mine in southeastern Colorado has safely produced 600,000 ounces of gold to date using heap-leach technology. And Viceroy has no other promising property in northern New Mexico. Sackin points out that it will cost the company \$200 (U.S.) to produce an ounce of gold at Brewery Creek, little more than half the current market price of \$368 (U.S.) "Even if gold dropped to \$200 or \$240 (per ounce), which it rarely does, we can still make a profit," he says, adding that the heap-leach pad at Brewery Creek "is one of the most stringently designed in North America."

Supporters of the project also point out that it has created 140 jobs at a time when cutbacks by the federal and territorial governments have hurt the local economy. "Any new mine is a breath of fresh air" says Dawson City Mayor Glen Ebert. "This particular project has had a massive impact yet, but the potential is huge. They've brought a new technology to the Klondike and proved it can work." In addition, two other northern heap-leach operations are now in the planning stages. One is 300 km east of Brewery Creek near the town of Mayo, where one of Friedland's Singapore-based companies, First Dynasty Mines, has proposed a heap-leach project three times the size of the Viceroy operation. And in central Alaska, TSMN Inc. of Lakewood, Col., is seeking construction of its Elmore Creek heap-leach mine.

Brad Frause, an environmental engineer with the Alaska department of environmental conservation, says he and his department are paying close attention to the Brewery Creek mine because of the issues it might provide for similar heap-leach operations. "The concerns involved in it are how they deal with that," says Frause, "especially by the kinds of problems they have when they're dealing with precipitation, snow-melt and getting through the winter." No one, he might have added, wants a Canadian version of the Summitville disaster.

TIMOTHY SAWKA in Dawson City

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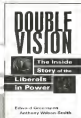
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DOUBLEDAY CANADA

Deirdre McDermid



The Bottom Line

The sheen of prosperity

In many respects, 1996 was a pivotal year for Canadian business. After six lean years, the domestic economy registered a glowy cast of prosperity again, but beneath the veneer of recovery there were some profound and portentous shifts. Herewith, a review of some 1996 events that will, in accounting jargon, "carry forward" to 1997 and beyond.

Working-class hero The relentless crushing of Can/Am Auto Workers president Ross Macgregor retained some of the distance between labor and capital in 1996. He also acquired a modicum of balance to a public agenda that has become controlled by corporate donors and government budget slashers. He articulated the fury at workplace misdeeds by protected uncertainty and upbraid.

Thargave led CAW members through a bitter and violent strike at Boeing in Mississauga. He shut down General Motors' Canadian operations for three weeks. He held a hard line against salary clawbacks at Canadian Airlines. In each case, Hargrave seized the opportunity to initiate broader discussions about such issues as the weakness of work, corporate responsibility, the impact of deregulation and the effects of outsourcing.

Whether Canadians agree or disagree with his strident stance, Hargrave dominated the scene at a time when many analysts were declaring that layoffs and workers' fears had destroyed the Canadian labor movement.

The big banks Canada's chartered banks posted profits, share prices and executive incomes in 1996. They also endured unprecedented public hostility.

Most significantly, that populist anger towards the big banks began to manifest itself politically. Despite their aggressive lobbying and powerful connections, Ottawa blocked the banks from entering the insurance and auto loan businesses. The machinist reform of the Bank Act turned out to be a trap reverse, failing to address

such hot topics as bank mergers. Then, in November, a swirling group of backbench MPs launched an attack against high credit-interest charges and threatened to introduce legislation to cap them if business failed to lower rates voluntarily.

The increasingly political issue of the backbench suggests that if banks—and other companies—don't respond appropriately to criticism, governments will step in on the public's behalf.

Bungle on the horizon Global competition has been the Holy Grail of business in the 1990s. But in 1996, two Canadian companies got hard lessons in the ways of the world. The setbacks of the Loewen Group and Bree-X Minerals serve as cautionary tales for other corporate executives—and investors—who have a taste for international adventure.

The Loewen Group, a Bismarck, B.C.-based funeral services company, kicked off the year with a near-death experience. A Minnesota court ordered Loewen to pay \$990 million in a breach of contract suit brought against it by a rival firm. At the eleventh hour, the two sides reached a \$350-million settlement, but not before Loewen's stock was hammered and the faith of shareholders shaken.

Within months, a weakened Loewen was under wage again. At year-end, it was still trading off a \$3-billion takeover bid by a hostile and dubious suitor from Texas.

Also in 1996, Bree-X Minerals of Calgary ran afoul of the government in Indonesia. The mining exploration company discovered the rich Bawang gold field in a jungle there in 1995. As the time to develop the deposit approached, however, the Indonesians abruptly declared that Barrick Gold of Toronto must take over 97.5 per cent of the deposit. That left Bree-X with 22.5 per cent of Bawang and the Indonesian government with a 20-percent piece of the action. And it left Bree-X shareholders without a profit-making public market for the asset.

Even in a climate of easy optimism and renewed vigor, the sheen of prosperity is easily tarnished.

BUSINESS NOTES

NEW FORESTRY GIANT

Avenor Inc., a Montreal-based pulp and paper company, is paying \$3.4 billion to buy Repap Industries Inc. The takeover will give Avenor annual revenues of \$5 billion and 12,300 employees, putting it on a par with Macmillan Bloedel Ltd. of Vancouver, Canada's biggest forestry company.

BARRICK STRIKES DEAL

Bree-X Minerals Ltd. of Calgary and Barrick Gold Corp. of Toronto submitted a joint plan to develop Indonesia's Bawang gold deposit. Details were not announced, but sources said it gives Bree-X a 22.5 per cent share in Barrick, 22.5 per cent to Bree-X and 10 per cent to the Indonesian government.

BLACK UNLOADS FAIRFAX

Newspaper baron Conrad Black is selling his 24.8-percent interest in John Fairfax Holdings Ltd., Australia's second-largest newspaper owner. Black tried for years to convince the country to relax its foreign ownership rules so that he could increase his stake. Although he lost that battle, Black's Hearings International Inc. will reap a \$200-million profit on the sale.

KING OF THE HILLS

Vancouver-based Interwest Corp. will pay \$200 million to buy the five-month-old Whistler Mountain, B.C., and Copper Mountain in Colorado. Interwest, which is poised to become North America's largest ski-resort operator, already owns the Blackcomb resort next door to Whistler, as well as Mammoth in Quebec.

EAST COAST MEGAPROJECT

A consortium led by Husky Oil Ltd. of Calgary plans to pump as much as \$1.5 billion into a new North Atlantic megaproject. Husky hopes to begin producing 10,000 barrels of oil a day in 1998. Production could reach 150,000 barrels a day by 2024. The field is 375 km east of St. John's, N.S.

AIRLINE'S NEW SCHEDULE

Canadian Airlines International Ltd. unveiled a new flight schedule designed to cut losses (by \$80 million over four years) and increase traffic to the Pacific Rim. Flights to the United States will increase 14.1 per cent. Meanwhile, the carrier's three major unions have voted to accept wage cuts to help save the company.



A Boeing 727-200 fresh from its Seattle factory: world domination.

A midair marriage

The two biggest guns in the U.S. aerospace industry have combined forces against their European archrival. If approved by shareholders, the \$18-billion takeover of McDonnell Douglas Corp. of St. Louis, Mo., by The Boeing Co. of Seattle will create the world's largest aerospace company—and a major threat to Airbus Industrie, the European aircraft consortium.

The deal is designed to help the two companies keep pace with the current boom in the aerospace industry. Together, Boeing and

McDonnell Douglas have 200,000 employees, an order backlog worth \$135 billion and anticipated 1997 sales of \$64 billion. The heavy demand for new airplanes in the United States and Asia means that the vast majority of workers in North America will keep their jobs, company officials said. The deal could even create jobs in Canada, some analysts said. The two companies currently employ 2,900 workers at plants in Winnipeg, Arnprior, Ont., and suburban Toronto.

Three years in the making, the showdown deal will have to pass muster with U.S. antitrust authorities, but that should not be a "big issue," said Phil Condit, president and chief executive officer of Boeing. The transaction—the 19th-largest corporate in U.S. history—could close as early as the middle of 1997. The new Boeing will immediately lay claim to about 60 per cent of the global market in commercial aircraft, compared with more than 30 per cent for Airbus Industrie.

Brokerage pioneer dies

His Bay Street colleagues called him "Ambassador." Justin Taylor, a six-foot-tall, four-eyes tall and, at one time, 300 lb.—curious fact the anecdote. But his stature as one of the country's most accomplished traders earned him a place in history that will outlive his death at 66 of prostate cancer. As chairman and CEO of McLeod Young Weir

Ltd. (later ScottMcLeod) from 1978 to 1995, Taylor built the firm into one of Canada's largest brokerages. He joined its Vancouver office in 1994 after leaving a job in Manila he had landed through his brother-in-law, conservative U.S. commentator William F. Buckley. He left in 1995, evidently unhappy with moves by the Bush of New South—which brought the firm in 1996 to become ScottMcLeod's apocryphal return in line with its own.

FINANCIAL OUTLOOK

Retail sales staged a 3.1 per cent in October, the strongest increase in two years and a sign that consumers are approaching the New Year in a more optimistic mood. Experts felt, largely due to the impact of a three-week strike at General Motors of Canada Ltd., but manufacturing shipments outside the auto sector rose 3.5 per cent. And Statistics Canada's leading economic indicator rose in November.

For the 14th consecutive month, pointing to improved growth in 1997.

"This week's Canadian data confirmed that the economy is building momentum at a far greater pace than many think."

—Nashid Burns

"Consumers are not only spending, but they're making two-tier purchases. This signals a higher degree of confidence and will also promote a larger trickle-down effect on the overall economy."

—Canada Trust

"Low interest rates will eventually help to boost Canada's domestic economy."

But interest rates may remain at current levels or below through 1997 in order to give consumers, businesses and governments the opportunity to refinance outstanding debt balances."

—Alliance of Manufacturers & Exporters Canada





Peter C. Newman

The most memorable 1996 absurdities

It was that kind of year. The safest bet about the past 12 months was that wherever there was a choice, people seemed to opt for being and sounding absurd. Here are some of my nominations for the most memorable of a vintage year in absurdities.

Pastor Bobb attending toll for Jesus. John Wiggin Belbaid, whose abrupt surgery by his wife Loretta made headlines three years ago, crashed his guest appearance at the official opening of St. Ann's Adult Supperhouse in Stockton, Calif. Although Bobbitt has started in pornography films since his near-miraculous resurrection, Jack Gordon, his personal manager, proudly explained that he has held recently been ordained a minister in the Universal Life Church, and that "you can't be a minister and do pornography." Oh, OK. We'll get one of the Christian Brothers to open Bobbitt's mind.

And if this doesn't work, we'll firebomb the paper. When B.C. Reform MP Bob Ringnes got into trouble for suggesting businessmen were entitled to discounts at hotel black and grey employees, his home-town paper, the *Canadian News Leader*, published a mocking cartoon that quoted an imaginary statement from him that young "hookers" ought to be "publicly whipped and made to perform hard labor in our country." Ringnes responded with the ultimate section seven offer: Brian LeFau, apologetic lobbyist, told the *News Leader* "we no longer receive press releases from his office." (The newspaper editor refused, and when last seen, Ringnes was in an animated conversation with a group of Douglas fir.)

Most puzzling quote of 1996. Diane Marleau's reply, while federal health ministers, when asked why the public gets so excited about the future of medicine: "Oh, it's a lot of fun, but I don't know if it's a lot about it. Could I tell you it's probably for many reasons. But you know, there are all kinds of considerations. There are lots of things happening. For one, I'm not sure I'm not going to give you a direct answer, because I really don't know." Why not try: "Because it moves people money when their appetite burns?"

The Bore Hargrove corporate courage under fire award. To the 13 directors of Canadian Airlines who, at the most critical moment of the company's struggle to stay afloat, resigned to protect themselves again—while at the same time endorsing a 10-percent wage cut for employees. Memo to Kevin Douglas: next time, hire a group of Toronto's Raging Grannies to sit around your boardroom table. They'll eat all day, and they never quit.

Roaming with the tide. It was revealed in Halifax this past year that in 1984 two crew members of the Canadian submarine HMCS Okeanos were allowed to swim side in tandem behind the boat, hanging onto the starboard cable, ordinarily used as part of an

apparatus to detect enemy vessels. The incident went unreported at the time, but the defense department decided not to discipline the Okeanos's commanding officer, because the aquatic prank seemed like more fun than watching the Somali piracy.

How about a quick round of bowling for dollars on the way to the office? Clay Kessner Coach, Inc., a southern California car customizer, last May completed a 73-foot stretch limousine for an Arab sheik, with 32 windows (including front and back windshields), that contains double beds, bars and a built-in video arcade. The \$8.4-million ego-wheeler comes in two sections, loaded in the middle so that it can turn corners.

Let them eat donuts. When an audit by the Ontario ministry of finance revealed that the Toronto real estate developer Todd Itzinger's firm, over \$46 million in bank loans, interest and penalties, company treasurer Roy Barman grandly dismissed the claim with the comment: "They're just another creditor." What do they have to do to get your attention, Roy?

You had to be there. According to a *Montreal* newspaper, pilots of the Royal Air Force training on the Falklands noticed that when they flew their jets low and slow over the island beaches, the thousands of resident penguins would follow the noise, avoiding their heads as one. When the planes changed direction and flew back, the birds would turn their heads in unison the other way. (An operator at a point in view match. The pilots then flew out to sea and came back, directly over the airport island. Heads went up, up, up—and 10,000 penguins fell over, greatly on their backs. Try that at the next Liberal caucus.)

Their future just passed. After secretly employing three psychiatrists for more than two decades to predict their "emotional needs," Washington's Central Intelligence Agency last October finally disclosed the unit, which had cost \$11 million to maintain. Operation Stargate, housed at a special facility at Fort Meade, Md., had correctly located Soviet submarine ports at Severomorsk and proposed Libyan dictator's Muammar Gaddafi's secret hideout. The psychiatrists also helped pick the date for Ronald Reagan's historic end-of-Cold-War summit meeting with Soviet leader Mikhail Gorbachev in Iceland. Shading their best cards to the very end, the psychics accurately predicted the day of their firing.

Worst quote of the year. Gender Flowers, whose bedroom companions of a long-term affair with Bill Clinton rode the 1992 presidential campaign, when asked about her outlook on life, now that she's 46 and out of the headlines: "No! The time a woman gets her head together, her life is hell."

Best quote of the year. Ottawa's Inter-governmental Affairs Minister Stephanie Dixon: "Canada is a country that works in practice, but not in theory."

Of Gennifer Flowers, incomprehensible ministers, surfing submarines, military psychics and penguins

Books

The unknown empire

THE JAPAN WE NEVER KNEW

By David Suzuki and Kondo Daisaku
(Shepherd, 324 pages, \$29.95)

David Suzuki, Canada's best-known environmental activist and a guest on TV by training, grew up thinking of himself as a Canadian who happened to have Japanese genes. He turned left socialist, then right, eventually through the prism of the Western environmental movement, regarding Japan as homogeneous, conformist and dangerous to the planet's ecology. But in 1992, he was challenged by anthropologist Kenzo Owa to travel with him and meet a hidden Japan of diversity and dissent. Their collaboration resulted in *The Japan We Never Knew*, a book that records Suzuki's fascinating encounters with dozens of Japanese outsiders, and also recounts a more personal odyssey.

Suzuki's first meeting with a Japanese "outsider" was Owa himself, at a scientific conference. Owa—who did not know that his father was Korean until he was an

adult—specializes in scholarly studies of ethnic nationalism at home and abroad. He introduced Suzuki to authors and environmental activists and to human rights crusaders for such minorities as the aboriginal, Korean and Taiwanese (unfathomable) segments of society. Those dissidents collectively demolish Western stereotypes about the monolithic nature of Japanese society.

The authors deal abundantly with their travels. They visit the fishing village of Misaki, home of many of the emigrants to North America who were interned as potentially disloyal citizens during the Second World War. Then, Suzuki discovers that the Imperial government, then by the same suspicion, harassed the internees' relatives throughout the war.

In another passage, Suzuki relates how he was puzzled about why the Peruvian children of Japanese emigrants expe-

rienced discrimination when they return to Japan—until he shares a meal with one couple. The two eat with gusto, gesture frequently and talk animatedly; the woman, shockingly, laughs without covering her mouth. Despite their perfect Japanese and their genetic match to the people around them, they are, in fact, Latin Americans.

Suzuki begins to reconsider his own outsider status in both Japan and Canada. When he meets aboriginal scientists on the island of Hokkaido, he sees a people in a native but very modern way with the land they have accepted for millennia. They belong where they are in a way Suzuki feels he may not. And in a conversation with some Ainu—a people whose round eyes make them a visible minority—the cool, assimilated Canadian scientist suddenly remembers that, as a teenager in Canada, he "was ashamed of his slanted eyes and had

preferred to have an operation on them."

It is this aspect of the book that lifts it above straight reporting: to a subtle and moving essay on personal identity and belonging. In the end, as much as it is a study of *The Japan We Never Knew*, the book illuminates the David Suzuki he never knew.

BRIAN BETHUNE

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Films

Even playing a mostly on-screen, she is dazzling—and shockingly likable



Seductively serious

BY BRIAN D. JOHNSON

As the final weeks of the year wind down, Hollywood suddenly starts to get serious, squaring its final Oscar contenders into release while they are still eligible. Pyrotechnics and special effects tend to dominate the big screen in the summer, but at Christmas the focus shifts to the actors, and to so-called prestige pictures—movies that are actually about something.

Dismantling the serious films are liberal dramas about the war between repression and tolerance in America. *The Grapes of Wrath*, Arthur Miller's classic play about the Salinas wheat strike, *Ghosts of Mississippi* chronicles the trial of the man who murdered black civil rights leader Medgar Evers, and *The People vs. Larry Flynt* tells the true story of a publisher defending his right to life, liberty and the pursuit of pornography.

Old-fashioned family values, meanwhile, appear to have taken over romantic comedies. In *One Fine Day* and *Jerry Maguire*, single mothers find heartthrob men who fall for them and their children. *The Evening Star*, a belated sequel to *Terms of Endearment* (1983), brings back Shirley MacLaine to play grandmother to the grown children who lost their mother to cancer in the original. In

Marnie's Blues, estranged sisters (Glenn Close and Meryl Streep) reconcile after Keaton's character learns she has leukemia. And in two movies, *Melrose* and *The Preacher's Wife*, women fall for men who are literally angels.

'Tis also the season for heavily ambitious

'Tis the season when Hollywood courts Oscar with substantial fare

Kenneth Branagh is gobbling that audiences will sit through four hours of *Shakespeare in Love*, reimagining himself as an Arden-era diva, sing his way through every line of her dialogue in the 16th age, baffle of birth. But Hollywood has not entirely lost its bearings. *Man of the Year* and *Boyz n the City* indicate that fast and dirty entertainment isn't an immediate danger of extinction.

Reveries of the major holiday releases: **The People vs. Larry Flynt is the season's most outstanding film. Nearly all the prize**

jals involved—co-producer Oliver Stone, director Mike Figgis and star Woody from release—have admitted they had to overcome an aversion to the subject just to read the script. And the film makes no attempt to dispel the perception that must have been a pig. But it does tell an amazing story, one that transcends the sleaze of its subject to become the most audaciously unattractively serious drama ever made about freedom of speech in America.

Flynt (Harvey Keitel) rises from squalid hill-billy origins to become the sultan of an Ohio-based porn empire, styling himself as a blue-collar Hugh Hefner, with his own 24-room mansion and executive jet. His first arrest, on obscenity charges in 1976, begins 20 years of protracted court battles, costing Flynt more than \$50 million. His 1978 shooting by an unknown assailant, which paralyzes him from the waist down, only seems to strengthen his resolve. Bouncing from one trial to another, he finally takes his renegade creature to the Supreme Court, where he wins a First Amendment victory against censorship. Jerry Falwell, who sued him over a satirical piece saying Falwell had sex with his mother in an outspace.

Taking his best work since *Bar Bar Bar* over the Children's Act (1972), Fortman directs

FILMS

with panache. His electric cast is peppered with novelties, including James Carville (Bill Clinton's former presidential campaign manager) and Pylis himself, playing a judge. Edward Norton, a dynamic young stage actor, is superb as the paragonish of the district lawyer. Harbison, meanwhile, portrays Pylis as an unrepentant double-bill deflected by new candor—and an unwavering devotion to his wife, Althea, portrayed by red-hot Courtney Love. Her performance is rivalling. Playing a worthy co-protagonist who gets lost on Pylis's pathos, she adds to the film's emotional resonance. Kurt Cobain's heart-wrenching widow fits the role like a plunger into a syringe. But she's shockingly likeable. By dwelling on such warmth and humanity from Althea's degradation, Love pulls off a coup of personal redemption that makes Pylis's own.

The Crucible, an other kind of courtroom drama, explores the roots of puritan repression in America. Miller's play, first staged in 1953, was written as a response to the anti-Communist hysteria of the 1950s. But its stark power has lost something in the transfer to the screen. The problem is not in the writing. Miller adapted his own script, preserving the 17th-century rig of the original drama. The problem is that, within the tight trappings of a conventional Hollywood movie, *The Crucible*'s drama has become dangerously overcooked.

The mania begins with the confining. The jail and decorous Winthrop Ryder leads the force to purify Salem. Spelling out a scene only alluded to in the play, the film opens with Abigail leading a gang of teenage girls in dance robes in the woods while, guided by a black slave woman, defiles a voodoo cauldron to steal a married man's heart. The dancers are discovered, the church elders move in, and Abigail turns the rising tide of witch-hunt hysteria against the wife of the man who took her in-reverence, a farger named John Proctor (Daniel Day-Lewis).

British filmmaker Nicholas Hytner, a stage veteran with one small movie to his credit (*The Madness of King George*), directs with a blunt, Brechtian style. He draws heavily measured performances from two seasoned stage actors, as the magisterial Judge Danforth, Paul Scofield conveys a character's surface nobility even since *A View From the Bridge* (1986), and in the role of Proctor's wife, Joanne Whalley-Kilmer proves that, by definition as the First Lady in last year's *Nixon* was no fake.



Cruise, Lipsitz, Pfeiffer, Cusack (left), Michael Madsen, Keanu Reeves; pure entertainment and steady ambition



public menace from beneath layers of latex acting makeup. Wasco Goldberg cheerleads from the sidelines as Myke Myers, the victim's widow, blazes out of the film's opening with the blurring of the Evers family, but the draggery of the result suggests that the best situations are not always good enough in dramatic tension.

Directed by Bob Fosse, it charts the successful attempt by Bobby Delaughter (Mick Rabinoff), an assistant district attorney in Jackson, Miss., to prosecute Byron De La Beckwith (James Woods) for the 1963 murder of activist Medgar Evers 30 years after the crime. Two earlier trials had resulted in hung juries. The film traces Delaughter's crusade to build a fresh case against the killer with new evidence.

As Delaughter's solitary through the script, the only sliver of excitement comes from Woods, who gives off a chill of psycho-

logical threat, and stepped off all his chest beats out. Then, leaving the office with a golfball and an adoring young female employee in tow, he heads out to reconquer the world.

Yes, it sounds like *The Usual Suspects* of the self-formation cast that passes for morality in Hollywood Cruise is, after all, a Scientologist. And the comedy tracks some cheap shots at obvious targets—typically against the very notion of human diversity. But, retaining Jerry Maguire's charm is tough, the movie works like a relentless sales pitch—outbidding the viewer's emotions with exuberance, wit and surprising tenderness.

Cruise is its only real star. Writer-director Cameron Crowe (*Fast Times at Ridgemont High*, *Single*) has surrounded him with an array of unknowns, which seems thoroughly appropriate to the story. As Dorothy, the single mother animated with Maguire, Keanu Reeves is a discovery. Beguiling but without conventional glamour, she has shy,

viewer-lowering Cruise, room to run a quaternary week right by the heart.

One Day in May is more formulaic, but it's sold like a blind date between Michelle Pfeiffer and George Clooney, between a movie star paying the real and a TV star taking a shot at the big leagues. There's little chemistry, but that hardly matters, because this is the kind of "old-fashioned" romantic comedy that seems to keep its leads hands apart—and physically separated—for as long as possible.

Conceived by producer Lydia Obst, the movie faces behind *Stephens* in Seattle. The premise takes a fresh hooker angle on an old formula, thus is perhaps the first romantic comedy that is neither entirely ironic nor aspirational in its chief case. Melrose (Pfeiffer) and Jack (Clooney) are two divorced parents with high-flying careers and identical cell phones who get stuck taking care of their cute/pesky children during a hectic workday. Melrose is an architect who has to sell a multimillion-dollar project, Jack is a newspaperman who has to land the winning bid connecting New York City's mayor with the Mafia.

From the moment they meet—showing up late for a school field trip—they are crackling with hostility. She judges him to be an irrepressible lost causing as his charm. He takes her for a beautiful bitch who just needs a little taming. But, forming an alliance of convenience, they agree to spell each other off, taking turns caring for his daughter, her son and his lost girlfriend (a golden scene is the hot new accessory to this season).

Best, Kirk and badly cohabiting, this is a day-in-the-life romance about strangers who fall in love with each other's pragmatic skills. Jack is a quality time dad, all warm and cuddly. Melrose is a supervisor who can make superhero costumes out of the junk in her purse. The script is packed up with trendy social commentary, which is not always enlightening—there are two episodes of angry tirades with service workers who speak so freely that when director Michael Hoffman finally silences the braves on the antic comedy, he delivers a payoff of coy (and scintillating) romance. For those who can identify—and afford a babysitter—*One Day in May* may be in a pinch.

Mars Attacks! offers a jaded-olden antidote for those who find Christmas too day-cloven. The only argument in this wacky parody of alien invasion comes in its director's nostalgia for 1950s flying-saucer schlock. Tim Burton has made his name with such arid fantasies as *Batman* and *Edward Scissorhands*. But with *Mars Attacks!*, his homage to a creature of slightly cheap pulp action movies, Burton showed his true colors as a schlocker's first master.

When he's not making the most of the Ed Wood night, how dare it be had Hollywood stars and a big budget. Playing the American president, Jack

Mike's Picks

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